

Xchanging Solutions Limited

ANNUAL REPORT 2021-22



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BOARD OF DIRECTORS

Henry D'Souza	- Independent Director
Nonavinakeri Srinivasaiyengar Rama ("Rama NS")	- Independent Director
Pankaj Vaish	- Independent Director
Gidugu Tatavarti Kalpana ("Kalpana Tataavarti")	- Non-Executive Director
Nachiket Vibhakar Sukhtankar	- Managing Director and Chief Executive Officer
Shrenik Kumar Champalal	- Whole Time Director and Chief Financial Officer

COMPANY SECRETARY & COMPLIANCE OFFICER

Mayank Jain
Tel +91 80 4364000
E-mail: compliance@xchanging.com

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Prestige Trade Tower, Level 19, 46, Palace Road,
High Grounds, Bengaluru – 560001, Karnataka, India

REGISTERED OFFICE

Kalyani Tech Park -
Survey No 1, 6 & 24,
Kundanhalli Village, K R Puram, Hobli,
Bengaluru – 560066, Karnataka
Phone : +91 80 43640000
Email : compliance@xchanging.com
Website: www.dxc.com
CIN : L72200KA2002PLC030072

REGISTRAR AND TRANSFER AGENT

KFin Technologies Limited
(Formerly known as KFin Technologies Private Limited)
Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032, Telangana
Phone : +91 40 67162222
Toll free number: 1-800-309-4001
Email : einward.ris@kfintech.com
Website : www.kfintech.com

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A. BOARDS' REPORT

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BOARDS' REPORT

Dear Shareholders,

The Board of Directors ("Board") is pleased to present the Twenty First Annual Report and the Audited Financial Statements of the Xchanging Solutions Limited ("The Company") for the financial year ended March 31, 2022.

A. FINANCIAL RESULTS

The highlights of standalone and consolidated financial results of the Company for the financial year ended March 31, 2022 and March 31, 2021 are as under:

(INR in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	For the Financial year ended Mar 31, 2022	For the Financial year ended Mar 31, 2021	For the Financial year ended Mar 31, 2022	For the Financial year ended Mar 31, 2021
Total Income	5,218	5,548	18,284	21,167
Total Expenditure	2,937	3,328	12,197	14,200
Profit before Finance Costs, Depreciation and Tax	2,386	2,332	6,194	7,131
Depreciation & Amortization	89	87	91	138
Finance Costs	16	25	16	26
Profit / (Loss) before Tax	2,281	2,220	6,087	6,967
Income Tax (including deferred tax)	62	399	830	723
Net Profit / (Loss) after Tax	2,219	1,821	5,257	6,244
Other Comprehensive Income/(Expenditure)	(20)	2	519	(285)
Total Comprehensive Income/(Expenditure)	2,199	1,823	5,776	5,959
Earnings / (Loss) per share	1.99	1.63	4.72	5.6

B. REVIEW OF OPERATIONS

During the financial year ended March 31, 2022, the consolidated income of the Company was Rs. 18,284 Lakhs as against Rs. 21,170 Lakhs during the previous year ended March 31, 2021. At a standalone level, the total income of the Company for the financial year ended March 31, 2022 amounted to Rs 5,218 Lakhs compared to Rs. 5,548 Lakhs during the previous year ended March 31, 2021.

C. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the financial year ended March 31, 2022 as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is presented in a separate section and forms an integral part of this Report.

D. DIVIDEND

The Board does not recommend a dividend. Refer the Company's policy on Dividend Distribution available on the

website of the Company at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>

E. TRANSFER TO RESERVES

During the financial year under review, the Company has not transferred any amount to the General Reserve.

F. SUBSIDIARY COMPANIES

The Company has 2 (two) direct subsidiaries and 1 (one) step down subsidiary as on March 31, 2022. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("the Act"). There has been no material change in the nature of the business of the subsidiaries.

Liquidation status of Subsidiary Companies

The Board of Directors of the Company approved liquidation of Xchanging Solutions (Europe) Limited ("XSEL"), wholly owned subsidiary on May 23, 2019. The Liquidation process of XSEL is complete and it's status on the Companies House is updated as dissolved on August 13, 2021.

Nexplicit Infotech India Private Limited, a step down subsidiary (Wholly owned subsidiary of Xchanging Solutions (USA) Inc.) is under liquidation.

Except as mentioned above, during the financial year ended March 31, 2022 under review, there have been no material changes in the business of the subsidiaries. In terms of Section 129(3) of the Act, the Company has prepared a statement containing the salient features of the Financial Statement of subsidiaries in the prescribed Form AOC-1 which is attached to the Financial Statements of the Company.

The Financial Statements of Subsidiary Companies are being uploaded on website of the Company <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations> for inspection by the shareholders. Any member desirous of obtaining a copy of the said financial statements may write to the Company. The financial statements including the consolidated financial statements and all other documents required to be attached with this report have been uploaded on to the website of the Company viz. <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

G. RELATED PARTY TRANSACTIONS

All Related Party Transactions are placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board. The policy is also uploaded on the website of the Company and can be accessed through the link <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The disclosure of transactions with the related parties are provided in the notes to the Standalone Financial Statements, forming part of the Annual Report.

Particulars of contracts or arrangements with related parties in the prescribed Form AOC-2, is provided as **Annexure – I** to this Boards' Report.

H. AUDITORS

(i) Statutory Auditors and Auditors' Report

The Shareholders of the Company in the 20th Annual General Meeting ("AGM") of the Company had re-appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018), ("Deloitte") as the Statutory Auditors of the Company to hold office from the conclusion of the 20th AGM till the conclusion of the 25th AGM of the Company.

The Statutory Auditors had carried out audit of financial statements of the Company for the financial year ended March 31, 2022 pursuant to the provisions of the Act. The reports of Statutory Auditors forms part of the Annual Report. The reports are self-explanatory and does not contain any qualifications, reservations or adverse remarks.

(ii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Ankush Agarwal, Partner, MAKS & Co., Company Secretaries [FRN P2018UP067700], to undertake the Secretarial Audit of the Company. Accordingly, in terms of provisions of Section 204(1) of the Act, a Secretarial Audit Report for the financial year ended March 31, 2022 given by the Secretarial Auditor of the Company in prescribed Form MR-3 is provided as **Annexure -II**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

(iii) Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

I. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Details of loans, Guarantees and Investments covered under Section 186 of the Act are provided in the notes to financial statements.

J. PUBLIC DEPOSITS

Your Company has neither invited nor accepted any deposits from public within the meaning of Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 during the period under review.

K. EMPLOYEES

(i) Key Managerial Personnel (KMP)

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Mr. Nachiket Vibhakar Sukhtankar, Managing Director and Chief Executive Officer
- b) Mr. Shrenik Kumar Champalal, Whole Time Director and Chief Financial Officer
- c) Mr. Mayank Jain, Company Secretary cum Compliance Officer

During the year under review, the Board at its meeting held on November 11, 2021 appointed Mr. Mayank Jain as the Company Secretary and Compliance Officer of the Company with immediate effect as Ms. Aruna M has resigned from the post of Company Secretary and Compliance Officer with effect from October 11, 2021.

(ii) Employees' Stock Option Scheme

During the period under review, no Employees' Stock Option scheme exists in the Company.

(iii) Particulars of Employees and Related Disclosures

In accordance with the provisions of Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules, are appended to this Report as **Annexure III**.

None of the directors except Mr. Henry D'Souza, received any remuneration or commission from Subsidiary Companies of the Company.

The details of remuneration paid to the Directors including the Managing Director & CEO of the Company are given in Corporate Governance Report.

The information required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, pursuant to first proviso to Section 136(1) of the Act, this Report is being sent to the Shareholders excluding the aforesaid information. Any shareholder interested in obtaining said information, may write to the Company Secretary at the Registered Office / Corporate Office of the Company and the said information is open for inspection at the Registered Office of the Company

The Board of Directors affirm that the remuneration paid to senior managerial personnel of the Company is as per the Nomination & Remuneration Policy of the Company.

L. BOARD AND COMMITTEES

(i) Directors

As on March 31, 2022, the Board of Directors comprises of six directors out of which 2 are Executive Directors, 3 are Independent Directors and 1 is Non-Executive - Non-Independent Director.

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Pankaj Vaish was appointed as the Additional Director & Non-Executive Independent Director by the Board, subject to the

approval of the Shareholders. The Board of Directors recommend the appointment of Mr. Pankaj Vaish as the Non-Executive Independent Director for a period of five years w.e.f. May 4, 2022 to May 3, 2027, to the shareholders for their approval in the ensuing AGM. The Company has received requisite notice in writing from member of the Company proposing his candidature as Director of the Company.

Pursuant to the provisions of Section 152(6) of the Act, Mr. Shrenik Kumar Champalal, Whole Time Director, being longest in the office, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for the re-appointment. The Board of Directors recommend his re-appointment.

Mr. Venkatesh Shastry has resigned from post of directorship w.e.f. May 5, 2022 due to his personal reasons and other professional commitment. He also confirmed that there is no material reason for his resignation other than stated above.

During the period under review, Mr. Chandrasekhara Rao Boddaju has resigned from post of Managing Director and Chief Executive Officer w.e.f. August 8, 2021. Further, Board at its meeting held on August 13, 2021, after recommendation from Nomination & Remuneration Committee and shareholders' at their AGM held on September 27, 2021 appointed Mr. Nachiket Vibhakar Sukhtankar as Managing Director cum Chief Executive Officer (Key Managerial Personnel) of the Company with effect from August 13, 2021.

Brief resume and other details relating to the directors, who are to be appointed/ re-appointed as stipulated under Regulation 36(3) of the Listing Regulations and Secretarial Standards issued by ICSI, are furnished in the Notice of Annual General Meeting forming part of the Annual Report.

Further, pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and Company's Code of Conduct.

Further, in terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

All Directors have affirmed that they are not debarred from holding the office of a Director by virtue of any SEBI order or any other such Authority.

The Company has taken the certificate from Mr. Ankush Agarwal, Partner, MAKS & Co., Company Secretaries [FRN P2018UP067700], that none of the directors on

the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed to this Report as **Annexure – IV**.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations and they are independent of the management.

(ii) Board Evaluation

Pursuant to the provisions of Section 134(3)(p) of the Act and Regulation 4 of Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the evaluation of the working of its Committees and directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

(iii) Remuneration Policy

The remuneration paid to the Directors is in line with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The relevant Policy(ies) have been uploaded on the website of the Company and can be accessed through the link <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

(iv) Board/Committee Composition and Meetings

A calendar of meetings is prepared and circulated in advance to the Directors. The details of composition of Board and Committee and their meetings held during the year are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

(v) Familiarization Programme and Separate Meeting of Independent Directors

During the financial year ended March 31, 2022, a separate meeting of the Independent Directors of the Company was held on May 31, 2021 without the attendance of Non-Independent Directors and the Management team.

During their meeting held on May 31, 2021, the Independent Directors discussed the matters specified in Schedule IV of the Act and Regulation 25 of the Listing Regulations.

The Nomination and Remuneration Committee of the Company at its meeting held on February 27, 2015 had approved a familiarization programme for Independent Directors of the Company. The Familiarization programme for Independent Directors is available at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

(vi) Audit Committee

This Committee comprises the following Directors viz. Mrs. Rama NS (Chairperson of the Committee), Mr. Henry D'Souza, Mr. Pankaj Vaish, and Mr. Shrenik Kumar Champalal. The Company Secretary acts as the Secretary to the Committee. Details of the Audit Committee have been provided in Corporate Governance Report.

All the recommendations of the Audit Committee were accepted by the Board.

vii) Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state and confirm:

- (a) That in preparation of the annual financial statements for the year ended 31st March 2022, applicable accounting standards had been followed along with proper explanation relating to material departures if any;
- (b) That such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of March 31, 2022, and of the profit of the Company for the year ended on that date;
- (c) That proper and sufficient care has been taken in the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the annual accounts have been prepared on a going concern basis;
- (e) Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by Group Management Team including audit of internal financial control over financial reporting, the Board is of the opinion that proper internal financial controls are in place and such internal financial controls are adequate and are operating effectively;
- (f) That proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively

M. GOVERNANCE

(i) Corporate Governance

The Company is committed to uphold the highest standards of Corporate Governance and to adhere to the requirements set out by the Securities and Exchange Board of India. A detailed report on Corporate Governance along with the Certificate of Mr. Ankush Agarwal, Partner, MAKS & Co., Company Secretaries [FRN P2018UP067700], confirming compliance with conditions of Corporate Governance as stipulated under

Schedule V of the Listing Regulations forms an integral part of this Report.

(ii) Vigil Mechanism / Whistle Blower Policy

The Company has established a whistleblower policy and also established a mechanism for directors and employees to report their concerns. The details of the same are explained in the Corporate Governance Report. The Board of Directors based on the recommendation of the Audit Committee has amended the Whistle Blower Policy to inter alia, enable employees to report incidents of leak or suspected leak of unpublished price sensitive information in line with the changes made in the SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the Whistle Blower Policy implemented by the Company, the Employees, Directors, customers, dealers, vendors, suppliers, or any Stakeholders associated with the Company are free to report illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company. During the year under review, no complaint pertaining to the Company was received under the Whistle Blower Policy. The Vigil Mechanism/Whistle Blower Policy is available at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

(iii) Risk Management

The Company has a Risk Management process which provides an integrated approach for managing the risks in various aspects of the business. The detailed framework is provided in the Management Discussion and Analysis Report.

(iv) Internal Financial Controls and their adequacy

Your Company has in place adequate internal financial controls with reference to the financial statements. The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors. The Audit Committee ensures adequacy of the system. The Statutory Auditors of the Company also provide their opinion on the internal financial control framework of the Company.

During the year under review, no material or serious observation has been highlighted for inefficiency or inadequacy of such controls.

(v) Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of the complaints received and disposed-off during the financial year ended March 31, 2022:

- a) No. of complaints filed during the financial year: Nil
- b) No. of complaints disposed off during the financial year: Nil
- c) Number of complaints pending as on end of the financial year: Nil

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

N. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially with effect from January 22, 2021.

In line with the said amendments, Corporate Social Responsibility Committee had formulated and recommended a Corporate Social Responsibility (CSR) Policy to the Board. The Board, at its meeting held on May 31, 2021, amended the existing CSR Policy. The CSR Policy is available on the Company's website at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

In terms of the provisions of the Act read with the amended Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities in the format prescribed under Annexure II of the said Rules is annexed to this Report and marked as **Annexure –V**.

O. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information as per Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Research & Development, Technology Absorption and Foreign Exchange Earning and Outgo is annexed herewith as **Annexure –VI**.

P. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2) of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report.

The Business Responsibility Report forms part of the Annual Report and can also be accessed on the Company's website at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

Q. OTHER DISCLOSURES

i) Share Capital

There was no change in the paid-up share capital of the Company. As on March 31, 2022, the paid-up capital of the Company was Rs. 1,114,037,160/-. This comprises 111,403,716 equity shares of Rs. 10/- each fully paid-up.

The Company has not issued any sweat equity shares or equity shares with differential rights during the financial year.

ii) Statutory Disclosures

None of the Directors of your Company are disqualified as per provision of Section 164(2) of the Act. The Directors of the Company have made necessary disclosures as required under various provisions of the Act and the Listing Regulations.

iii) Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

v) Compliance of Secretarial Standards

During the financial year under review, the Company has complied with applicable Secretarial Standards on Board and General Meetings specified by the Institute of Company Secretaries of India pursuant to Section 118 of the Act.

vi) Appointment of Independent Director in an unlisted material Subsidiary

Pursuant to Regulation 24 of the Listing Regulations, Mr. Henry D'Souza, Independent Director of the Company has been appointed as Independent Director w.e.f. April 1, 2019 on the Board of Directors of Company's unlisted material subsidiary i.e. Xchanging Solutions (USA) Inc and Xchanging Solutions Singapore Pte Limited.

vii) Responsibility

For Standalone:

The Company's Board of Directors is responsible for the information included in the Boards' Report including Annexures to Board's Report, Management Discussion and Analysis and Corporate Governance Report including annexures thereon.

For Consolidated:

The Parent Company's (Xchanging Solutions Limited) Board of Directors is responsible for the information included in the Boards' Report including Annexures to the Board's Report, Management Discussion and Analysis and Corporate Governance Report including annexures thereon.

viii) Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

ix) Significant and material orders

During the Financial Year 2021-22, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future. Further, no penalties have been levied by the SEBI or any other regulator during the year under review.

x) Listing

Equity Shares of the Company are listed on National Stock Exchange of India Ltd. and BSE Ltd. The Company has paid required listing fees to Stock Exchanges for FY 2022-23.

xi) Maintenance of Cost Records

The maintenance of cost records, for the services rendered by the Company, is not required pursuant to Section 148 (1) of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

xii) Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificate

In terms of the Listing Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from Mr. Nachiket Vibhakar Sukhtankar, Managing Director & Chief Executive Officer and Mr. Shrenik Kumar Champalal, Whole Time Director & Chief Financial Officer, for the

Financial Year 2021 - 2022 with regard to the Financial Statements and other matters. The said Certificate is attached herewith as **Annexure – B** and forms part of Corporate Governance Report.

ACKNOWLEDGEMENTS:

The Directors would like to express their sincere appreciation for the co-operation and assistance received from the Company's Bankers, Regulatory Bodies and Stakeholders including other business associates who have extended their valuable sustained support and encouragement during the year under review.

The Directors also wish to place on record their deep sense of gratitude and appreciation for the commitment displayed by executives, officers and staff at all levels of the Company, resulting in the successful performance of the Company during the year under review. We look forward to your continued support in the future.

For and on behalf of the Board of Directors,

Nachiket Vibhakar Sukhtankar
Managing Director &
Chief Executive Officer

Shrenik Kumar Champalal
Whole Time Director &
Chief Financial Officer

Place: Mumbai
Date: May 23, 2022

Place: Bangalore
Date: May 23, 2022

ANNEXURE – I TO BOARDS' REPORT

Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis –

- (a) Name(s) of the related party and nature of relationship: Nil
- (b) Nature of contracts/arrangements/transactions: Nil
- (c) Duration of the contracts / arrangements/transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Justification for entering such contracts or arrangements or transactions: NA
- (f) Date(s) of approval by the Board: NA
- (g) Amount paid as advances, if any: NA
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

2. Details of material contracts or arrangement or transactions at arm's length basis

- (a) Name(s) of the related party and nature of relationship: **Xchanging Solutions USA Inc, Wholly owned subsidiary of the Company**
- (b) Nature of contracts/arrangements/transactions: **ITeS off-shore Services**
- (c) Duration of the contracts / arrangements / transactions: **Ongoing**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Xchanging Solutions Limited has been providing ITeS off-shore services to Xchanging Solutions USA Inc as per the terms in the agreement.**
- (e) Date(s) of approval by the Board, if any: **NA**
- (f) Amount paid as advances, if any: **Nil**

For and on behalf of the Board of Directors,

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer

Place: Mumbai
Date: May 23, 2022

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore
Date: May 23, 2022

ANNEXURE – II TO BOARDS’ REPORT

MR-3

Secretarial Audit Report

For the Financial period ended 31st March 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Xchanging Solutions Limited

Kalyani Tech Park, Survey No. 1, 6 & 24,

Kundanhalli Village, K. R. Puram, Hobli,

Bangalore, Karnataka – 560 066

[CIN: L72200KA2002PLC030072]

We have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **M/s. Xchanging Solutions Limited** (hereinafter called “the **Company**”). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of M/s. Xchanging Solutions Limited’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 commencing from April 1, 2021 to March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent based on the management representation letter/ confirmation received from the management, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter dated May 23, 2022, annexed to this report as

Annexure – A.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the applicable provisions of:
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the regulations and bye laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act):-
 - I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the audit period*).
 - IV. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*Not applicable to the Company during the audit period*);
 - V. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (*Not applicable to the Company during the audit period*);
 - VI. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not applicable to the Company during the audit period*);
 - VII. The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with clients (*Not applicable since the Company is not registered as Registrar to an Issue and Share Transfer Agent during the audit period*);
 - VIII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*Not applicable to the Company during the audit period*); and
 - IX. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. We, further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records, on test check basis, management confirmation in pursuance thereof, the Company has complied with Information Technology Act, 2000 and the rules made there under, applicable specifically to the Company and general laws like

Annexure – II to Boards' Report

Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, as applicable to the Company, during the financial year 01 April, 2021 to 31 March, 2022.

3. We have also examined compliance with the applicable clauses of the following:
 - i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings (hereinafter referred as '**Secretarial Standards**'). We noted that the Company is generally regular in complying with the Secretarial Standards; and
 - ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI (LODR) Regulations, 2015") and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited (hereinafter referred as "the NSE") and the BSE Limited (hereinafter referred as "The BSE") (collectively hereinafter referred as 'the Stock Exchanges').
4. During the period under review, to the best of my knowledge and belief and according to the information and explanations given to me, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned above, to the extent applicable.
5. We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws and maintenance of financial records and books of accounts by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals.
6. We further report that:
 - i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including women directors. There are Executive Directors on the Board of the Company. Further, the changes in the composition of Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
 - ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings was sent at least seven days in advance and system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
 - iii) Decisions of Board/Committee were carried through unanimously. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
 - iv) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
 - v) We further report that during the audit period the Company had no specific actions having bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.

Note: Due to COVID-19 outbreak worldwide and 'Working From Home' Policy adopted by the Company since the beginning of the pandemic, we have not been able to do process audit and physical verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and same have been verified electronically on emails only.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No: 14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719D000370222

Place: Noida, UP
Date: May 23, 2022

Annexure –A to Secretarial Audit Report dated May 23, 2022

To,
The Members,
Xchanging Solutions Limited
Kalyani Tech Park, Survey No. 1, 6 & 24,
Kundanhalli Village, K R Puram, Hobli,
Bangalore, Karnataka – 560 066
[CIN: L72200KA2002PLC030072]

Our Secretarial Audit Report dated May 23, 2022 is to be read with this letter.

1. The compliance of provisions of all corporate and other laws, rules, regulations and standards applicable to **Xchanging Solutions Limited** (hereinafter called 'the **Company**') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
5. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No: 14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719D000370222

Place: Noida, UP
Date: May 23, 2022

ANNEXURE – III TO BOARDS' REPORT

Remuneration to Directors/KMP/Employees

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2022:

Name & Designation	Ratio
Nachiket Vibhakar Sukhtankar (w.e.f. August 13, 2021) Chandrasekhara Rao Boddaju (till August 8, 2021) • Managing Director & Chief Executive Officer	*NA
Shrenik Kumar Champalal - • Whole Time Director & Chief Financial Officer	4.47

* Did not draw remuneration during FY 21-22.

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ended:

Name & Designation	% increase in remuneration in the financial year ended March 31, 2022
Nachiket Vibhakar Sukhtankar (w.e.f. August 13, 2021) Chandrasekhara Rao Boddaju (till August 8, 2021) • Managing Director & Chief Executive Officer	*NA
Shrenik Kumar Champalal - Whole Time Director & Chief Financial Officer	2%
Mayank Jain – Company Secretary	#NA

* Did not draw remuneration during FY 21-22.

CS is appointed in the FY 2021-22.

- (iii) The percentage increase in the median remuneration of employees in the financial year ended March 31, 2022: 28%
- (iv) The number of permanent employees on the rolls of Company: 137
- (v) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year: 11%
- (vi) Comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable as there is no exceptional circumstances for increase in the managerial remuneration.
- (vii) Affirmation that the remuneration is as per the remuneration policy of the Company: Yes, remuneration is as per the Nomination & Remuneration Policy of the Company.

For and on behalf of the Board of Directors,

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer

Place: Mumbai
Date: May 23, 2022

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore
Date: May 23, 2022

ANNEXURE – IV TO BOARDS’ REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Xchanging Solutions Limited
Kalyani Tech Park, Survey No. 1, 6 & 24,
Kundanhalli Village, K R Puram, Hobli,
Bangalore, Karnataka – 560066

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Xchanging Solutions Limited, having CIN: L72200KA2002PLC030072 and having registered office at Kalyani Tech Park, Survey No. 1, 6 & 24, Kundanhalli Village, K R Puram, Hobli, Bangalore, Karnataka-560 066, (hereinafter referred to as ‘**the Company**’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority as applicable.

S. No.	Name of Director	DIN	Date of Appointment
1	Mr. Henry D’souza	00276157	29/02/2012
2	Mrs. Gidugu Tatavarti Kalpana	06644105	27/03/2018
3	Mrs. Nonavinakeri Srinivasaiyengar Rama	06720033	01/04/2019
4	Mr. Shrenik Kumar Champalal	08099410	31/03/2018
5	Mr. Nachiket Vibhakar Sukhtankar	08778377	13/08/2021
6	Mr. Venkatesh Shastry Venkatasubba Ramanandashastry*	08277771	15/11/2018

* Resigned from the Board of Directors of the Company w.e.f. May 05, 2022

Ensuring the eligibility for the appointment and continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. MAKS & Co.,
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No: 14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719D000347199

Place: Noida, UP
Date: May 19, 2022

ANNEXURE – V TO BOARDS’ REPORT

Corporate Social Responsibility

Annual Report of Corporate Social Responsibility (CSR) Activities for the Financial Year ended March 31, 2022:

THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

CSR Policy:

Corporate Social Responsibility at Xchanging Solutions Limited originates from the ideology of providing sustainable value to the society. In this direction, the Company has adopted its CSR policy striving for economic and social development that positively impacts the society at large. In doing so build a better, sustainable way of holistic life for the marginalized and underprivileged sections of the society and work towards raising the country’s human development index. Through the small contribution, the Company aspires to improve the quality of life of people at the bottom of pyramid.

CSR Policy of the Company provides the overview of projects or programs which are proposed to be undertaken by the Company.

The CSR Policy of the Company can be accessed at the Company’s website through the link: <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Henry D’Souza	Independent Director	2	2
2	Venkatesh Shastry*	Independent Director	2	2
3	Rama NS	Independent Director	2	2
4	Kalpana Tataavarti	Non-Executive Director	2	2
5	Shrenik Kumar Champalal	Executive Director (Whole Time Director)	2	2
6	Pankaj Vaish#	Independent Director	NA	NA

* Resigned on May 5, 2022.

Appointed on May 4, 2022

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - The required CSR amount was spent during the financial year itself. Hence Not Applicable.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	-	-	-
	TOTAL		

6. Average net profit of the Company as per section 135(5) : Rs 2,428 lakhs
7. (a) Two percent of average net profit of the Company as per section 135(5) : Rs 48.56 lakhs
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
(c) Amount required to be set off for the financial year, if any: Nil
(d) Total CSR obligation for the financial year (7a+7b+7c) : Rs 48.56 lakhs

Annexure – V to Boards’ Report

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
Rs. 48.56 lakhs	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
				State	District.						Name	CSR Registration number
1.	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation-Direct (Yes/No)	Mode of implementation-Through implementing agency	
				State	District			Name	CSR registration number
1.	Educational Scholarship	Under Privileged Children	No	Tamil Nadu	Chennai, Coimbatore, Vellore. Bangalore Vyara Ranchi	48.56 lakhs	No	Samiti for Education Environment Social and Health Action (SEESHA)	CSR00001850
	TOTAL					48.56 lakhs			

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 48.56 lakhs

(g) Excess amount for set off, if any: Nil

Annexure – V to Boards’ Report

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.	-	-	-	-	-	-	-
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed/ Ongoing
1.	-	-	-	-	-	-	-	-
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – **Not Applicable**

For Xchanging Solutions Limited

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer

Henry D’Souza
Chairman-CSR Committee

Place: Mumbai
Date: May 23, 2022

Place: Bangalore
Date: May 23, 2022

ANNEXURE – VI TO BOARDS' REPORT

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

A. Conservation of Energy

The operations of your Company are not energy intensive. However, adequate measures have been taken to reduce energy efficient computer terminals.

B. Technology Absorption

Your Company has continued its endeavor to develop and absorb advanced technologies for its various offering range to meet the requirements of a globally competitive market and to meet the technology requirements for the future.

C. Foreign Exchange Earnings and Outgo:

(INR in lakhs)

Particulars	March 31, 2022	March 31, 2021
Total Foreign Exchange earnings	3,297	3,371
Total foreign Exchange outgo	80	63

For and on behalf of the Board of Directors,

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer

Place: Mumbai
Date: May 23, 2022

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore
Date: May 23, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Xchanging Solutions Limited was incorporated on February 1, 2002 with operations in India, and an international presence established through subsidiaries in several countries.

DXC Technology Company, ultimate holding company, is listed on New York Stock Exchange, and through its indirect subsidiaries Xchanging (Mauritius) Limited, Xchanging Technology Services India Private Limited & DXC Technology India Private Limited, owns 75% of the outstanding share capital of the Company.

INDUSTRY STRUCTURE, OUTLOOK AND DEVELOPMENTS:

As the COVID-19 pandemic continues to cast its shadow on the global economy IMF's Jan-2022 global GDP projection for 2022 is estimated at 4.4%. This sentiment is further reflected in global CXO sentiment that points towards a positive, but fairly muted outlook.

In this setting, enterprises are balancing the twin priorities of employee safety & wellness and enterprise digital transformation. According to the NASSCOM Enterprise CXO Survey 2022, 60% CXOs indicate a 6% higher tech spend in 2022 over 2021, with focus areas around customer service, supply chain and sales & marketing. End-user enterprises are emerging as technology job creators – about 30% of respondents intend to increase their technology team by over 15%.

FY2023 growth estimates for the industry reflect the optimism of FY2022 with 72% technology CEOs indicating 2022 Tech spend to be in line with 2021. R&D investments are expected to grow between 10% and 20% over last year for over one third of the technology firms as they explore opportunities for innovation & build new products and services.

Four verticals – BFSI, Healthcare, Manufacturing, and Retail/ eCommerce – are expected to be the primary consumers of technology, with solutions focused on leveraging AI, Analytics, Automation and Cloud.

The positive outlook of this sector is further reflected hiring plans for next year – 90% respondents intend to either increase or maintain their hiring in line with FY2022.

R&D Spend: In FY2023, the technology industry has signalled an increase in R&D investments – up by 10-20% over FY2022, pointing to a shift from me-too business models to IP-led business growth; building new products/services; catalyse innovation.

FY2023 growth opportunities are likely to be driven by demand for Infrastructure and managed services, consulting services; Platform BPM, data management & RPA; ER&D will see deeper penetration of engineering cloud as ER&D firms up their Softwarization component. The software product segment will see greater offtake of productivity software, cybersecurity solutions – as enterprises further saasify their tech portfolio. Finally, eCommerce industry is set to get further disrupted by the fast-growing interest around metaverse, driven by the need for more personalised experiences.

[Source : NASSCOM'S REPORT 2022]

OPPORTUNITIES

- 1. IT Services- Driven by Cloud & ESG initiatives: Consulting services:** This segment is likely to see more opportunities emerge from cloud deployments and ESG initiatives. As cloud deployments shift from point solutions to a holistic strategy focused on organization-wide digital transformation, customers are expected to seek consulting services to identify areas to optimize cloud costs (FinOps), adopt industry cloud (domain-specific services) and further strengthen their hybrid and multi-cloud strategies. The growing interest in ESG (Environmental, Social and Governance) is another driver for IT consulting and the development of Green technology – solutions that will enable customers to meet their ESG goals. Infrastructure services could see an uptick; however, as the move to cloud accelerates, the demand is expected to come more from the IT/cloud and telecom segments.
- 2. Technology will assume centre stage in BPM 4.0:** As firms increasingly rely on data to generate revenue, data management and data interoperability are seen as important capabilities. Firms will focus on building an integrated Digital Capability Platform that will ensure seamless data flow. Automation is another key trend that will further embed itself within systems and processes - further acceleration in adoption of bots (scaling up). New BPM segments that have a more direct impact on revenue and risk-management will emerge; for e.g., Marketing & sales; Trust & safety (content moderation).
- 3. Softwarization of ER&D- Engineering Cloud:** As cloud computing makes further inroads into ER&D operations, Engineering Cloud is emerging as a significant trend driven by rapid virtualization, growing reliance on Ind 4.0, AI, Digital Twin, etc. Engineering operations are swiftly shifting to cloud-based operations.
- 4. Softwarization:** ER&D firms are also seeking to leverage data from disparate sources to generate additional revenue & build more personalized products and experiences. With the disruptions in supply chain and semiconductor industry, firms have started to shift focus on generating revenue from software services as a way to supplement their existing business.

[Source : NASSCOM'S REPORT 2022]

THREATS:

- 1. Adverse movement of foreign currencies could impact realizations and margins.**

Management Discussion and Analysis

2. Legislations/Measures enacted by External Countries' Governments would have an adverse impact on the IT Workforce and consequently on operations.
3. Attrition levels in the IT Sector, though they are showing a tapering trend, albeit still remain a concern.

RISKS AND CONCERNS

The Company analyse the nature and extent of risks and consider their likelihood of occurrence and impact; both on an inherent and residual basis, after taking into account mitigating and compensating controls. This allows us to determine how we should manage each risk in order to achieve our strategic objectives.

HOW WE MANAGE RISK

In managing risk we analyse the nature and extent of risks and consider their likelihood and impact, both on an inherent and a residual basis, after taking account of mitigating controls. This allows us to determine how we should manage each risk in order to achieve our strategic objectives.

- Strategic risks reflect the potential for a significant strategic action or a failure to react to developing trends in the market, to have a financial impact on the economic value of our business.
- Commercial risks reflect the potential to enter into a critical contract or commercial arrangement which may have an adverse impact on the business.
- Operational risks reflect the potential for the failure of a critical process or procedure to have an adverse impact on the business.

OVERVIEW OF RISK MANAGEMENT PROCESS



STRATEGIC RISKS	
Risk	Mitigating Actions
Failure to utilise and exploit technology enablement for growth	<p>The rapidly changing nature and impact of technology means that we need to respond to technology trends. Injecting technology enablement into our services and products is core to our growth strategy as we continue to:</p> <ul style="list-style-type: none"> • Develop innovative value adding customer solutions. • Utilise our skilled knowledgeable resources. • Review our existing services and products to ensure that they meet our customers' requirements.
Failure to secure new business from both new and existing customers	<p>There are number of significant changes in the sectors we operate in and the current economic environment results in pressure on our customers. Failure to secure new business could slow down the growth of the business. Successfully winning new business is managed by:</p> <ul style="list-style-type: none"> • Ensuring utilisation of our technology capabilities and competitive low cost offshore services. • Clearly dened offerings and sales strategies that help us to attract customers. • Continual development of the united sales strategy which enables selling across business sectors. • Effective performance of sales team.

Management Discussion and Analysis

COMMERCIAL RISKS	
Risk	Mitigating Actions
We have a concentration of material contracts with customers in key markets, which may have a significant impact on the Group's performance.	Our commercial risks continue to be well managed through legal review, delegated authorities and contract monitoring processes. We have a structured service management programme, with dedicated account managers who work closely with our customers utilising performance metrics in order to identify issues early and trigger corrective actions.
OPERATIONAL RISKS	
Risk	Mitigating Actions
Our reputation and ultimately our profitability are reliant on successful implementation and delivery of new contracts.	We ensure successful implementation in the following ways: <ul style="list-style-type: none"> • Detailed implementation and delivery plans with strong management control and oversight. • Use of experienced employees with strong project, change and people management skills in order to ensure successful implementation. • Standardised procedures in use for the implementation and delivery of new contracts.
Our customers demand efficient processing and high levels of service to help them achieve their objectives and protect their reputation.	Failure to meet our customers' expectations and contractual commitments would have a significant impact upon our reputation and profitability and could result in unexpected and costly litigation. We consistently work towards ensuring that our service levels are on target ensuring that we meet our customer requirements. Mitigating actions include: <ul style="list-style-type: none"> • Consistently ensuring that our service levels are on target. • Optimising our cost of delivery through standardisation and simplification. • Ongoing contract management. • Building on existing customer relations.
Continuing to retain our key personnel and recruit new talented individuals is fundamental to our success. Our intellectual property is one of our key assets.	<ul style="list-style-type: none"> • We have an established structure for employee performance and development monitoring. • A clear recruitment strategy and graduate recruitment and development programme attracts high-potential employees. • Significant investment in leadership training programmes underpins our succession plans and develops our employees.
FINANCIAL RISKS	
Risk	Mitigating Actions
The Group's financial results may be subject to volatility arising from movements in interest rates, foreign exchange rates, liquidity and changes in taxation legislation, policy or tax rates	We continue to manage our financial risks through our established budgeting, forecasting and working capital and treasury controls. This reduces the volatility of our financial results, giving the Board greater medium-term visibility

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Compliance Certification from CEO and CFO provided in Annual Report confirms the adequacy of our internal control system and procedures.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

A. OVERVIEW

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

B. RESULTS OF OPERATIONS

1. Review of Operations

During the financial year ended March 31, 2022, the consolidated revenue of the Company was Rs 17,427 Lakhs against Rs. 19,574 Lakhs during the previous year ended March 31, 2021. Other income of the Company for the current year was Rs. 857 Lakhs against Rs. 1,593 Lakhs in the previous year.

The company has only one primary segment viz, Information Technology (IT) services and accordingly the financials relate to this segment.

2. Performance

The table below summarizes the consolidated financial performance during the year:

(INR in lakhs)

Particulars	For the Financial year ended March 31, 2022	For the Financial year ended March 31, 2021
Total Income	18,284	21,167
Total Expenditure	12,197	14,200
Profit before Finance Costs, Depreciation and Tax	6,194	7,131
Depreciation & Amortization	91	138
Finance Costs	16	26
Profit / (Loss) before Tax	6,087	6,967
Income Tax (including deferred tax)	830	723
Net Profit / (Loss) after Tax	5,257	6,244
Other Comprehensive Income/(Expenditure)	519	(285)
Total Comprehensive Income/(Expenditure)	5,776	5,959
Earnings / (Loss) per share Rs.	4.72	5.6

3. Geographic Profile

(INR. in lakhs)

Geography	March 31, 2022		March 31, 2021	
	Revenue	%	Revenue	%
Europe	337	2%	1,210	6.18%
USA	11,012	63%	12,214	62.40%
India	1,153	7%	1,132	5.78%
Singapore	4,700	27%	4,827	24.66%
Rest of the World	225	1%	191	0.98%
Total	17,427	100%	19,574	100%

4. Capital Markets

The Capital Market Information relating to the company's shares such as stock exchanges in which they are listed/traded, trading volume, stock price movements etc., has been provided in the Report on Corporate Governance (under the heading "General Shareholder Information") which forms part of the Annual Report 2021-2022.

Management Discussion and Analysis

5. Key Financial Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Standalone			Reason for variance beyond 25%
	March 31, 2022	March 31, 2021	Variance	
Current ratio	6.31	4.66	35%	Mainly due to increase in cash and cash equivalents, reclassification of loan to fellow subsidiaries from non-current to current and reduction in current liabilities
Debt-equity ratio	0.00643	0.01080	-40%	Mainly due to reduction in lease liability and increase in shareholders equity on account of increase in total Comprehensive Income for the period
Debt service coverage ratio	12.69	8.04	58%	Mainly due to increase in profit for the period and reduction in lease liability
Return on equity ratio	0.09	0.08	12%	-
Inventory turnover ratio	NA	NA	-	-
Debtor turnover ratio	8.63	8.26	5%	-
Trade payable turnover ratio	6.03	6.03	0%	-
Net capital turnover ratio	0.24	0.27	-12%	-
Net profit margin (%)	0.51	0.44	14%	-
Return on capital employed	0.08	0.09	-6%	-
Return on investment	0.09	0.09	-6%	-
Interest Coverage Ratio	143.6	89.8	60%	Mainly due to increase in earnings and reduced finance costs during the year
Operating Profit Margin (%)	33.4%	19.4%	72%	Mainly due to improved operating performance during the year
Return on Net Worth (%)*	8.7%	7.7%	12%	-

* Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof: - Return on Net worth is higher mainly due to increased growth in profit for the period as compared to growth in average net worth.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND EMPLOYEE RELATIONS

Developing Talent

Managing human resources effectively and efficiently plays a critical role in ensuring that a satisfied, motivated work force delivers quality services. It also plays an important role in increasing staff performance and productivity, enhancing an organization's competitive advantage, and contributing directly to the organizational goals. Satisfied, highly-motivated and loyal employees represent the basis of competitive company. The growth of satisfaction is to be reflected in the increase of productivity, improvement of the products' quality or rendered services and higher number of innovations.

The Company is highly employee oriented, and the focus is on the development of employees.

Employee Diversity

The Company believes in promoting and nurturing work environment which is conducive to the development and growth of an individual employee, by employing the best HR practices such as performance management, reward and recognition policy, leadership development program, open work culture and effective employee communication.

We are committed to embedding a culture of diversity and inclusion across our Group. This includes ensuring opportunity for all and embraces the positive effect that our diverse workforce brings.

We do not tolerate any form of discrimination, and our employment policies and practices focus on ensuring that all our employment processes are free from unlawful discrimination on any grounds.

Xchanging Solutions Limited has a total of 137 employees on its rolls as of March 31, 2022.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

The Company is committed to the highest standards of corporate governance in all its activities and related processes. The Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient and effective manner and to achieve its goal of maximizing value for its shareholders. The Company believes that good corporate governance lies not merely in drafting a code of corporate governance but in practicing it.

The Company has put in place a good corporate governance policy and confirms its compliance with the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

2. BOARD OF DIRECTORS:

A. Composition of Board of Directors:

The Board of Directors as on March 31, 2022 comprised of 6 (Six) Directors of which 4 (four) are Non – Executive Directors including two women directors. The Chairman is an Executive Director (Managing Director and CEO) as on March 31, 2022. The number of Independent Directors on the Board is 3 (three). The composition of Board is in conformity with Regulation 17 of the Listing Regulations.

Membership in Board and Sub - Committees of the Directors of the Company other than Xchanging Solutions Limited ("**the Company**") is as under:

Name of the Director	DIN	Category in the Company	Number of Directorships in other Public Companies ¹				Number of committee positions held in other public companies ²		No. of equity shares held in XSL as on March 31, 2022
			Listed	Name of the Listed Company	Category of Directorship	Unlisted	Chairman	Member	
Henry D'Souza	00276157	Non-Executive Independent Director	0	NA	NA	0	0	0	0
Venkatesh Shastry*	08277771	Non-Executive Independent Director	0	NA	NA	0	0	0	0
Pankaj Vaish#	00367424	Non-Executive Independent Director	2	• IIFL Wealth Management Limited • Krishna Institute of Medical Sciences Limited	Non-Executive Independent Director	Fusion Micro Finance Limited- Non-Executive Independent Director	0	4	0
Rama NS	06720033	Non-Executive Independent Director	1	Timken India Limited	Non - Executive Independent Director	0	1	1	0
Kalpana Tatavarti	06644105	Non-Executive Non- Independent Director	0	NA	NA	0	0	0	0
Nachiket Vibhakar Sukhtankar	08778377	Executive Director (Managing Director and CEO)	0	NA	NA	0	0	0	0
Shrenik Kumar Champalal	08099410	Executive Director (Whole Time Director and CFO)	0	NA	NA	0	0	0	1

* Resigned on May 5, 2022

#Appointed on May 4, 2022

¹Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

²The information pertaining to the chairmanships/memberships of Committees of the Board held by the directors includes only Audit Committee and Stakeholders' Relationship Committee.

None of the Directors of the Company hold directorships in more than twenty (20) companies including in more than ten (10) public companies. In accordance with the Listing Regulations, none of the Directors of the Company hold directorships in more than eight (8) listed companies and independent directorships in more than seven (7) listed companies. The Managing Director of the Company does not hold directorship as an Independent Director in any other listed company. Also, none of the Directors is serving as a member of more than ten (10) committees or as the chairman of more than five (5) committees in accordance with the requirements of the Listing Regulations. None of the Directors are related to each other. Necessary disclosures regarding committee positions in other public companies as at the end of financial year have been made by the Directors.

Mr. Venkatesh Shastry has resigned from post of directorship w.e.f. May 5, 2022 due to his personal reasons and other professional commitment. He also confirmed that there is no material reason for his resignation other than stated above.

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Pankaj Vaish was appointed as the Additional Director & Non-Executive Independent Director by the Board, subject to the approval of the Shareholder. The Board of Directors recommend the appointment of Mr. Pankaj Vaish as the Non-Executive Independent Director for a period of five years w.e.f. May 4, 2022 to May 3, 2027, to the shareholders for their approval in the ensuing Annual General Meeting. The Company has received requisite notice in writing from member of the Company proposing his candidature as Director of the Company.

B. Number of Board Meetings, Attendance of the Directors at Meetings of the Board and at the Annual General Meeting:

The Board meetings are held at regular intervals to consider, discuss and approve inter alia, the unaudited and audited standalone and consolidated financial results of the Company, to decide on business policy/strategy of the Company, risk management, competitive scenario, etc. The Board/Committee meetings are pre-scheduled and tentative dates of such meetings are informed well in advance to facilitate the Directors to plan their schedule. The Company also provide an option to its Directors to participate at each of the Board/Committee meetings through video conference. The Company adheres to the Secretarial Standards on the Board Meetings as prescribed by the Institute of Company Secretaries of India.

During the financial year ended March 31, 2022, total 4 (four) Board Meetings were held on the following dates – May 31, 2021; August 13, 2021; November 11, 2021 and February 10, 2022. The gap between two meetings did not exceed 120 days. These meetings had good attendance. The last AGM of the Company was held on September 27, 2021.

The attendance of the Directors' at these Meetings for FY 2021-22 is as under:

Director	Category	Number of Board Meetings attended	Leave of Absence Granted	Attendance at the AGM
Henry D'Souza	Non-Executive Independent Director	4	Nil	Yes
Venkatesh Shastry*	Non-Executive Independent Director	4	Nil	Yes
Rama NS	Non-Executive Independent Director	4	Nil	Yes
Kalpna Tatavarti	Non-Executive Director	4	Nil	Yes
Chandrasekhara Rao Boddaju@	Executive Director	1	Nil	NA
Nachiket Vibhakar Sukhtankar^	Executive Director	3	Nil	Yes
Shrenik Kumar Champalal	Executive Director	4	Nil	Yes

@Resigned on August 8, 2021

^Appointed on August 13, 2021

* Resigned on May 5, 2022

C. Meetings of Independent Directors

During the financial year ended March 31, 2022, a separate meeting of the Independent Directors of the Company was held on May 31, 2021 without the attendance of Non-Independent Directors and the Management team.

During their meeting held on May 31, 2021, the Independent Directors reviewed the performances of Non-Independent Directors, Chairman and the Board as whole and assessed the flow of information between the Company management and the Board.

D. Directors seeking Appointment/ Re-appointment

Independent Directors are not liable to retire by rotation. Pursuant to the provision of Section 152(6) of the Companies Act,

2013, Mr. Shrenik Kumar Champalal, Whole Time Director, being longest in the office, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for the reappointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of Companies Act, 2013 (“Act”) and applicable Regulations of Listing Regulations. Further, they have declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, in the opinion of the Board, all the Independent Directors of the Company, fulfill the conditions specified under the Act and the Listing Regulations, and are independent of the management.

All Directors have affirmed that they are not debarred from holding the office of a Director by virtue of any SEBI order or any other such Authority.

E. Code of Conduct

The Board has formulated and adopted a Code of Conduct for all Board Members and Senior Management Personnel of the Company. These Codes have been posted on the Company’s website at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

Affirmation Report on Compliance of Code of Conduct has been received from the Board Members and Senior Management Personnel of the Company. A declaration to that effect is given in the Compliance Certificate annexed to the report.

The Code of Conduct for the Board Members of the Company has been amended in line with the provisions of the Act, which includes Code for Independent Directors, which is a guide to professional conduct for Independent Directors of the Company pursuant to section 149(8) and Schedule IV of the Act.

F. Compliance Certification

As required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, Mr. Nachiket Vibhakar Sukhtankar, Managing Director and Chief Executive Officer and Mr. Shrenik Kumar Champalal, Whole Time Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the financial year ended March 31, 2022. The Certificate is annexed to this Report as **Annexure- A**

G. Performance Evaluation of Board, its Committees and Directors

As required under the provisions of Section 134(3)(p) of the Act and Regulation 4 of the Listing Regulations, the Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board Committees, and executive / non-executive / independent directors through peer evaluation, excluding the director being evaluated.

The performance evaluation framework is in place and the evaluation questionnaires were circulated to all the members of the Board and Committees for their response to evaluate performance of Board and Committees of the Board.

The criteria of the evaluation is exercising of responsibilities in the interest of the Company, striving to attend meetings of the Board of Directors and Committees of which he is a member, participating constructively and actively in the meetings of the Board or Committees of the Board etc.

Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board is satisfied with the board evaluation carried out for the year and there is no previous & current year’s observation and action.

H. Familiarization Programme for Independent Directors

As per Regulation 46(2)(i) of Listing Regulations, the details of programs for familiarization of the Independent Directors with the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

I. Matrix setting out the skills/expertise/competence of the Board of Directors

The Company’s Board comprises qualified members who bring in required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. The Directors are committed to ensure that the Company is in compliance with the Corporate Governance. In accordance with Regulation 34(3) read with Part C of Schedule V of Listing Regulations, below is the summary of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and which are taken into consideration while nominating candidates to serve on the Board of the Company:

Areas	Description
Strategy and planning	Ability to think strategically and identify and critically assess strategic opportunities & threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities.
Governance (including policy)	Develop appropriate policies & define the parameters.
Finance	Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> Analyze key financial statements; Critically assess financial viability and performance; Contribute to strategic financial planning.
Commercial/Business Development	A broad range of commercial/business development in areas including communications, marketing, branding and business systems, practices and improvement.
Information Technology	Qualification and experience in IT industries.

Director	Areas of expertise				
	Strategy and planning	Governance (including policy)	Finance	Commercial/ Business Development	Information Technology
Nachiket Vibhakar Sukhtankar MD & CEO	✓	✓	✓	✓	✓
Shrenik Kumar Champalal WTD & CFO	✓	✓	✓	✓	✓
Henry D'Souza Independent Director	✓	✓	✓	✓	✓
Venkatesh Shastry Independent Director*	✓	✓		✓	✓
Rama NS Independent Director	✓	✓	✓	✓	✓
Kalpana Tatavarti Non-executive Director	✓	✓		✓	✓
Pankaj Vaish#	✓	✓	✓	✓	✓

* Resigned on May 5, 2022

Appointed on May 4, 2022

3. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

A. Remuneration Policy

Pursuant to the provisions of Section 178 of the Act, the Company has adopted a Policy for Remuneration of Directors, Key Managerial Personnel and Senior Management, which has been approved by the Board of the Company at its Meeting held on March 28, 2019 by way of resolution by circulation based on the recommendations made by the Nomination and Remuneration Committee. The Nomination and Remuneration Policy is available at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

Appointment

Nomination and Remuneration Committee (“NRC”) determines the criteria of appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of a person for appointment / continuing to hold appointment as a Director, the NRC takes into account among others, Board diversity, person's eligibility, qualification, expertise, track record, general understanding of the business, professional ethics, integrity and other fit and proper criteria's. Based on recommendation of the NRC, the Board evaluates the candidate(s) and decide on the selection of the appropriate member.

Remuneration

The remuneration of Executive/Non-Executive Directors and Key Managerial Personnel is governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as

industry standards and decided by NRC in accordance to the abovementioned policies. It is proposed by NRC and subsequently approved by the Board.

B. Remuneration to Non-Executive Directors for the financial year ended March 31, 2022

The Non-Executive Independent Directors are paid compensation in the following manner:

- Sitting Fees of INR 60,000/- for attending Board Meeting and INR 60,000/- for attending Committee Meeting.
- None of the Non-Executive Independent Directors have any pecuniary relationship with the Company.
- None of the Non-Executive Independent Directors hold any equity shares of the Company.
- None of the Non-Executive Independent Directors hold any convertible instruments in the Company.
- Payment of reimbursement of expenses incurred by Non-Executive Independent Directors for participation in the Board and other meetings of the Company.

The remuneration and sitting fee paid to the Non-executive directors during the financial year ended March 31, 2022 along with their respective shareholding in the Company are as under:

(INR in Lakhs)

Directors	Sitting Fees paid for the Board and Committee Meetings held during the financial year ended March 31, 2022	Commission for the financial year ended March 31, 2022, provided as payable in the accounts of the Company for the year under review	No. of Equity Shares held as on March 31, 2022
Henry D'Souza	10.20	Nil	Nil
Venkatesh Shastry*	10.20	Nil	Nil
Rama NS	11.40	Nil	Nil
Kalpna Tatavarti	7.20	Nil	Nil

* Resigned on May 5, 2022

C. Remuneration paid/payable to Executive Director (Whole-time Director/Managing Director) for the financial year ended March 31, 2022

Following Remuneration were paid to whole-time director and Managing Director during the financial year ended March 31, 2022. The said remuneration was fixed by the Nomination and Remuneration Committee and subsequently approved by the Board of Directors and Shareholders of the Company.

Designation of Executive Director	(INR in Lakhs)					Contract Period	Shares held as on March 31, 2022
	Salary	Commission	Company's contribution to Funds	Perquisites & Allowance	Total		
Managing Director	-	-	-	-	-	For 3 years with effect from August 13, 2021	-
Whole Time Director	51.27	-	-	-	51.27	For 3 years with effect from March 31, 2021	01

Brief terms of employment and details of remuneration of the Executive Directors are as under:

Sl. No.	Name of the Director	Nachiket Vibhakar Sukhtankar, Managing Director	Shrenik Kumar Champalal, Whole Time Director
(a)	Salary, benefits, bonuses, stock options, pension etc.	Mr. Nachiket Vibhakar Sukhtankar will draw "Nil" remuneration from the Company as mutually agreed between him and the Company. Reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.	Salary not exceeding INR 60 Lacs per annum Reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.

Sl. No.	Name of the Director	Nachiket Vibhakar Sukhtankar, Managing Director	Shrenik Kumar Champalal, Whole Time Director
(b)	Details of fixed component and performance linked incentives, along with the performance criteria;	Nil	Fixed Salary not exceeding INR 60 lakhs per annum. Not entitled for any performance linked incentives.
(c)	Service contracts, notice period, severance fees;	The appointment of Mr. Nachiket Vibhakar Sukhtankar as Managing Director is for period of 3 years with effect from August 13, 2021.	The re-appointment of Mr. Shrenik Kumar Champalal as Whole Time Director is for period of 3 years with effect from March 31, 2021.
(d)	Stock option details, their pricing at the time of issue, period over which accrued and period over which exercisable.	NA	NA

4. RISK MANAGEMENT

The Company has a Risk Management process which provides an integrated approach for managing the risks in various aspects of the business. A writeup on the above is provided in the Management Discussion and Analysis Report.

5. COMMITTEES OF THE BOARD

A. Risk Management Committee

The Risk Management Committee of the Company is constituted in line with the provisions of Regulations 21 of Listing Regulations.

The role of the committee shall, *inter alia*, include the following:

- (1) To formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (7) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
- (8) Any other responsibility as may be assigned by the board from time to time.

Composition of the Risk Management Committee

The composition of the Risk Management Committee is as follows:

1. Shrenik Kumar Champalal
2. Rama NS
3. Nachiket Vibhakar Sukhtankar

Mr. Shrenik Kumar Champalal is the Chairman of the Risk Management Committee.

Company Secretary acts as the Secretary of the Risk Management Committee.

During the financial year ended March 31, 2022, 2 (two) meetings of the Risk Management Committee were held, the dates being November 11, 2021 and March 23, 2022.

The attendance for the Risk Management Committee meetings for FY 2021-22 is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Shrenik Kumar Champalal	Chairman	2	Nil
Rama NS	Member	2	Nil
Nachiket Vibhakar Sukhtankar	Member	2	Nil

B. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of Listing Regulations read with Section 177 of the Act.

The role, duties, term of references and powers of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Boards' Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgement by Management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified opinion(s) in the draft audit report.
5. Reviewing with the Management, the quarterly financial statements before submission to the board for approval;
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilization of loans and/or advances from/ investment by the Company in the subsidiary exceeding

rupees 100 crore or 10% of the asset size of the subsidiary whichever is lower including existing loans/advances/ investments existing as on the date of coming into force of this provision;

21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
22. Review the compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively; and
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency if applicable, submitted to stock exchanges in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - b) annual statement of funds utilized for purposes other than those stated in the offer document /prospectus /notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee shall have powers, which should include the following:

- a) To investigate any activity within its terms of reference.
- b) To seek information from any employee.
- c) To obtain outside legal or other professional advice.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Composition of the Audit Committee

The composition of the Audit Committee is as follows:

1. Rama NS
2. Henry D'Souza
3. Pankaj Vaish#
4. Venkatesh Shastry*
5. Shrenik Kumar Champalal

Appointed on May 4, 2022

* Resigned on May 5, 2022

Mrs. Rama NS is the Chairperson of the Audit Committee.

Company Secretary acts as the Secretary of the Audit Committee.

During the financial year ended March 31, 2022, 4 (Four) meetings of the Audit Committee were held, the dates being May 31, 2021; August 13, 2021; November 11, 2021 and February 10, 2022.

The attendance for the Audit Committee meetings for FY 2021-22 is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Rama NS	Chairman	4	Nil
Venkatesh Shastry*	Member	4	Nil
Henry D'Souza	Member	4	Nil
Shrenik Kumar Champalal	Member	4	Nil

* Resigned on May 5, 2022

The previous Annual General Meeting of the Company was held on September 27, 2021 and the Chairperson of the Audit Committee was present at the Annual General Meeting of the Company. All recommendations of the Audit Committee were accepted by the Board.

C. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in line with Regulation 19(4) read with Part D of Schedule II of the Listing Regulations read with Section 178 of the Act.

The role, duties, terms of references and powers of the Nomination and Remuneration Committee are as follows:

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- c) devising a policy on diversity of Board of Directors;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Director their appointment and removal.
- e) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- f) recommend to the Board, all remuneration, in whatever form, payable to senior management.
- g) while formulating the policy under sub-section (3) of Section 178 of the Companies Act, 2013 ensure that —
 - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- h) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (i) use the services of an external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates.

The composition of the Nomination & Remuneration Committee is as follows: -

1. Pankaj Vaish#
2. Venkatesh Shastry*
3. Henry D'Souza
4. Rama NS
5. Kalpana Tatavarti

Appointed on May 4, 2022

* Resigned on May 5, 2022

Mr. Pankaj Vaish is the Chairman of the Nomination & Remuneration Committee.

Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

During the financial year ended March 31, 2022, 2 (two) meeting of the Nomination and Remuneration Committee were held, the dates being May 31, 2021 and August 13, 2021.

The attendance for the Nomination and Remuneration Committee meetings for FY 2021-22 is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Venkatesh Shastry*	Chairman	2	Nil
Henry D'Souza	Member	2	Nil
Rama NS	Member	2	Nil
Kalpana Tatavarti	Member	2	Nil

* Resigned on May 5, 2022

The previous Annual General Meeting of the Company was held on September 27, 2021 and the Chairman of the Nomination & Remuneration Committee was present at the Annual General Meeting of the Company. All recommendations of the Nomination & Remuneration Committee were accepted by the Board.

Performance evaluation criteria for Independent Directors

The Nomination and Remuneration policy of the Company lays down the criteria for Directors/Key Managerial Personnel appointment and remuneration including criteria for determining qualification, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-Executive Directors (including Independent Directors) and other matters as prescribed under the provisions of the Act and the Listing Regulations as well as the performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated including but not limited to participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgment etc.

D. Stakeholder Relationship Committee

The Stakeholder Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the Listing Regulations read with Section 178 of the Act.

The role, duties, term of references and powers of the Stakeholders Relationship committee are as follows:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The composition of the Stakeholders Relationship Committee is as follows:

1. Henry D'Souza
2. Pankaj Vaish#
3. Venkatesh Shastry*
4. Rama NS
5. Kalpana Tatavarti
6. Shrenik Kumar Champalal

Appointed on May 4, 2022

* Resigned on May 5, 2022

Mr. Henry D'Souza is the Chairman of the Stakeholder Relationship Committee.

Company Secretary acts as the Secretary of the Stakeholder Relationship Committee.

During the financial year ended March 31, 2022, 4 (four) meetings of Stakeholders Relationship Committee were held, the dates being May 31, 2021; August 13, 2021; November 11, 2021 and February 10, 2022.

The attendance for the Stakeholders Relationship Committee meetings for FY 2021-22 is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Henry D'Souza	Chairman	4	Nil
Venkatesh Shastry*	Member	4	Nil
Rama NS	Member	4	Nil
Kalpana Tatavarti	Member	4	Nil
Shrenik Kumar Champalal	Member	4	Nil

* Resigned on May 5, 2022

During the financial year ended March 31, 2022, there were no complaints received from the shareholders. There are no pending investor complaints as on March 31, 2022.

The previous Annual General Meeting of the Company was held on September 27, 2021 and the Chairman of the Stakeholder Relationship Committee was present at the Annual General Meeting of the Company. All recommendations of the Stakeholder Relationship Committee were accepted by the Board.

Name, designation and address of Compliance Officer

Mr. Mayank Jain
Compliance Officer

Registered office: Kalyani Tech Park
Survey No 1, 6 & 24, Kundanhalli Village,
K R Puram Hobli, Bangalore – 560066

Tel: +91 80 4364000

E-mail: compliance@xchanging.com

E. Corporate Social Responsibility Committee

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established a Corporate Social Responsibility (CSR) Committee.

The CSR Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, recommending to the Board the amount of expenditure to be incurred on CSR activities and monitoring the Corporate Social Responsibility Policy of the Company from time to time.

The composition of the Corporate Social Responsibility Committee (CSR) is as follows:

- Henry D'Souza
- Rama NS
- Pankaj Vaish#
- Venkatesh Shastry*
- Kalpana Tatavarti
- Shrenik Kumar Champalal

Appointed on May 4, 2022

* Resigned on May 5, 2022

Mr. Henry D'Souza is the Chairman of the Corporate Social Responsibility Committee.

Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.

During the financial year ended March 31, 2022, 2 (two) meetings of the CSR Committee were held; the dates being May 31, 2021 and November 11, 2021.

The attendance for the CSR Committee meetings for FY 2021-22 is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Henry D'Souza	Chairman	2	Nil
Venkatesh Shastry*	Member	2	Nil
Rama NS	Member	2	Nil
Kalpana Tatavarti	Member	2	Nil
Shrenik Kumar Champalal	Member	2	Nil

* Resigned on May 5, 2022

6. GENERAL BODY MEETINGS

A. Details of Annual General Meetings and Special Resolutions passed

The details of date, time, location and special resolutions at Annual General Meeting (AGM) held in last 3 (three) years are as under:

Date	Time	Venue	Special Resolutions Passed	Directors' Attendance at AGM
September 27, 2021	11:00 A.M.	Video Conferencing / Other Audio Visual Means ("VC"/ "OAVM")	<ol style="list-style-type: none"> Appointment of Mr. Nachiket Vibhakar Sukhtankar (DIN: 08778377) as Managing Director cum Chief Executive Officer of the Company for a period of three years Re-appointment of Mr. Shrenik Kumar Champalal (DIN: 08099410) as Whole Time Director (Executive Director) of the Company 	<ol style="list-style-type: none"> Henry D'Souza Venkatesh Shastry Rama NS Kalpana Tataavarti Nachiket Vibhakar Sukhtankar Shrenik Kumar Champalal
September 23, 2020	10:00 A.M.	Video Conferencing / Other Audio Visual Means ("VC"/ "OAVM")	NA	<ol style="list-style-type: none"> Henry D'Souza Venkatesh Shastry Rama NS Kalpana Tataavarti Chandrasekhara Rao Boddoju Shrenik Kumar Champalal
August 13, 2019	10:00 A.M.	Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore - 560066	<ol style="list-style-type: none"> Approval for re-appointment of Mr. Henry D'Souza as an Independent Director of the Company. Approval for appointment of Mr. Venkatesh Venkatasubba Ramanandashastry Shastry ("Venkatesh Shastry") as an Independent Director of the Company Approval for appointment of Mrs. Nonavinakeri Srinivasaiyengar Rama ("Rama NS") as an Independent Director of the Company 	<ol style="list-style-type: none"> Henry D'Souza Venkatesh Shastry Rama NS Kalpana Tataavarti Chandrasekhara Rao Boddoju Shrenik Kumar Champalal

B. Extraordinary General Meeting & Postal Ballot

No Extraordinary General Meeting & Postal Ballot were conducted during the financial year ended March 31, 2022.

7. DISCLOSURES:

- There are no materially significant related party transactions of the Company which pose a potential conflict with the interest of the Company. The Related Party Transaction Policy of the Company is available at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>
- The Material Subsidiary Policy of the Company as approved by the Board of Directors is available at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>
- The Familiarization Programme for Independent Directors as approved by the Nomination and Remuneration Committee of the Company is available at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>
- The Board of Directors of the Company have adopted the Code of Practices and Procedures for Fair Disclosure of Price-Sensitive Information in concurrence with the requirement under SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019; and Revised Code of Conduct for Prevention of Insider Trading. The aforesaid code is available at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or

any Statutory Authority, on any matter related to capital markets, during last three years: BSE Limited and National Stock Exchange of India Limited has not levied penalty on the Company for last three years.

- v. In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a 'Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities' of the Company ("the Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons (including Directors, Key Managerial Personnel and employees) of your Company are covered under the Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in securities of your Company. The Code is also available at the website of the Company at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.
- vi. The Company has received few routine explanations/letters from the stock exchanges and replied accordingly within prescribed time.
- vii. In accordance with the requirement of Section 177 of the Act and the Rules made there under and Regulation 22 of the Listing Regulations, the Company has formulated a 'Vigil Mechanism/Whistle Blower Policy'. No employee/ personnel have been denied access to the Audit Committee. The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.
- viii. The Company has not raised funds through preferential allotment or qualified institutions placement during the last year.
- ix. The Company has not adopted a treatment different from that prescribed in accounting standards.
- x. The Company has taken certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The same certificate is provided in Boards' report forming part of Annual Report.
- xi. There are no pecuniary relationships or transactions between Non-Executive Directors and the Company. The Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board.
- xii. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Regulation 34(3) of the Listing Regulations read with Schedule V of the Listing Regulations: The Company has complied with all the mandatory requirements of the Listing Regulations.
The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II of Regulation 27(1) of the Listing Regulations and are being reviewed from time to time which are as follows:
 - a. **Audit Qualifications:** During the year under review, there is no audit qualification in your Company's Financial Statements nor has there been a matter of emphasis made during the year. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.
 - b. **The Board and separate posts of the Chairperson and the Chief Executive Officer:** During the year under review, the Managing Director & Chief Executive Officer of the Company has been appointed as the designated Chairperson of the Board.
 - c. **Reporting of Internal Auditor:** The internal control systems of the Company are routinely tested and verified by Internal Auditors and significant audit observations and follow-up actions are reported to the Audit Committee.
 - d. **Shareholder's Right:** The quarterly results of the Company are published in English newspaper (generally Financial Express) and a local daily (generally Sanjevani) having wide circulation in Bangalore. Further, the quarterly and half yearly results are also posted on the website of the Company at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.
- xiii. The Board of Directors have accepted all recommendations of its committees.
- xiv. The total fees for all services paid by the Company and its subsidiary(ies), on a consolidated basis, to the Statutory Auditors of the Company, for the year ended March 31, 2022 is INR 119 lakhs. Same is also provided in notes to the Consolidated Financial Statements, forming part of the Annual Report.
- xv. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in Boards' Report forming part of the Annual Report.
- xvi. Disclosures by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount' are provided in Financial statements for the financial year ended March 31, 2022.
- xvii. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations
- xviii. The Company does not deal in commodity and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

xix. Disclosure with respect to demat suspense account / unclaimed suspense account - Not Applicable

8. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are also published in the prescribed format within 48 hours of the conclusion of the Board Meeting, in which they are considered, generally in all the editions of "The Financial Express" the National English daily, circulating in most parts of India and in "Sanjevani", the newspapers published in the regional language of the place, where the Company's registered office of the Company is situated. The details of financial information are also available at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

All the official news releases are also published on the Company's website.

The Company has designated an email id exclusively for its shareholders viz., compliance@xchanging.com for the purpose of registering complaints by investors.

9. GENERAL SHAREHOLDERS' INFORMATION:

1. Annual General Meeting

Date and Time	: Wednesday, August 3, 2022
Venue*	: Kalyani Tech Park. - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore - 560 066

* the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 dated April 8, 2020; 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020; 02/2021 dated January 13, 2021; and 02/2022 dated May 5, 2022 issued by MCA (hereinafter referred as "MCA Circulars") read with Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 21st Annual General Meeting (AGM) of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be Registered Office of the Company.

2. Financial Calendar

The financial calendar of the Company is reproduced below:

Annual General Meeting	On or before September 30, 2022
Results for quarter ending June 30, 2022	August 2022
Results for quarter ending September 30, 2022	November 2022
Results for quarter ending December 31, 2022	February 2023
Results for year ending March 31, 2023	May 2023

- Book closure : July 28, 2022 to August 3, 2022 (both days inclusive)
- Cut-off Date : July 27, 2022
- Dividend payment date : NA, since the Company has not declared any dividend
- Listing on the Stock Exchanges

Equity Shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. Annual Listing fee for the year 2022-2023, has been paid to the above Stock Exchanges.

The annual custodial fee of CDSL and NSDL for the year 2022-2023 has also been paid.

Scrip Code:

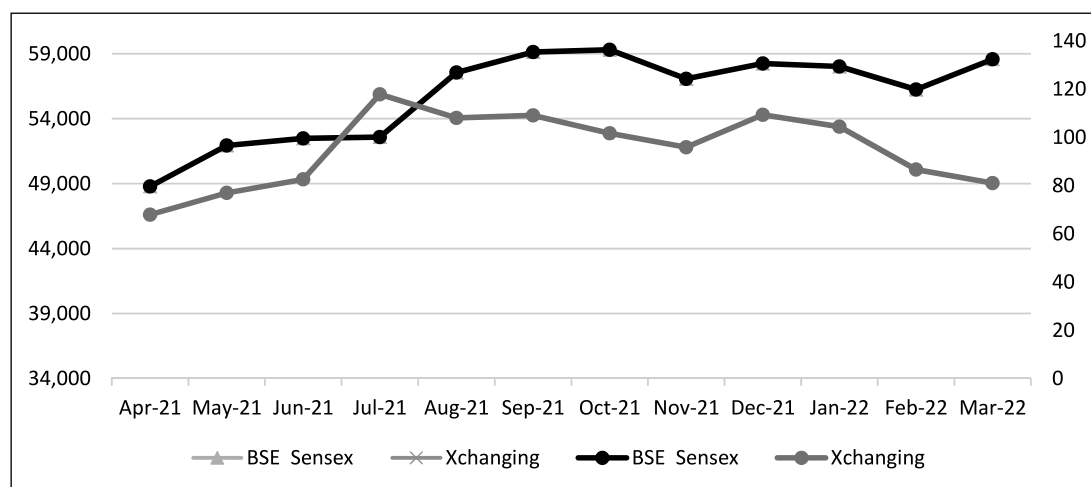
NSE	: XCHANGING
BSE	: 532616

7. Market Price Data

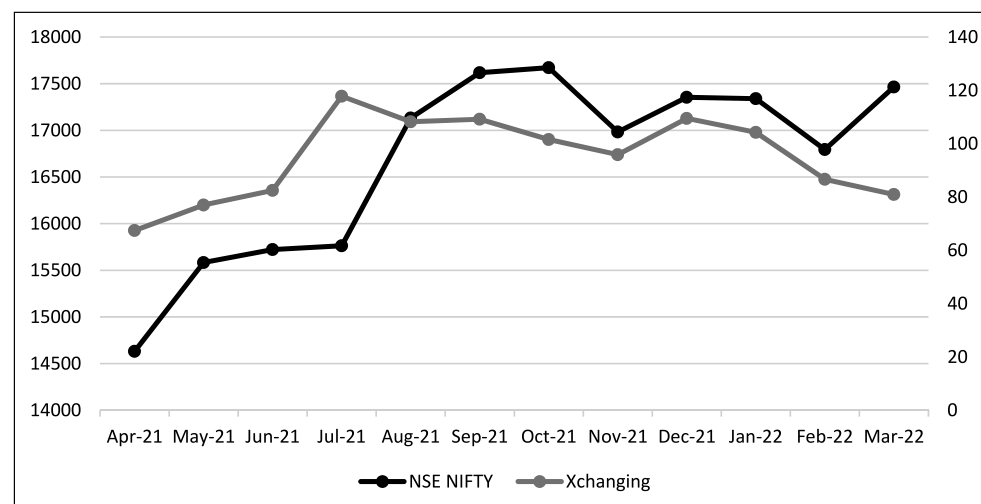
The monthly high and low share prices on both the exchanges for a period starting from April 2021 to March 2022 are as below:

Month & Year	Share price of Xchanging Solutions Limited (NSE)			Share price of Xchanging Solutions Limited (BSE)		
	High (Rs)	Low (Rs)	Close (Rs)	High (Rs)	Low (Rs)	Close (Rs)
Apr-21	69.80	60.05	67.45	70.50	60.20	67.90
May-21	79.70	64.60	77.00	79.80	64.50	76.95
Jun-21	88.75	68.80	82.45	88.80	68.85	82.55
Jul-21	141.00	80.30	117.80	141.25	80.15	117.80
Aug-21	124.70	93.90	108.20	124.50	94.05	108.00
Sep-21	122.50	105.00	109.15	122.50	105.00	109.05
Oct-21	132.00	98.50	101.55	131.50	98.40	101.60
Nov-21	112.00	94.50	95.85	112.00	94.15	95.80
Dec-21	114.80	94.00	109.45	114.90	94.00	109.30
Jan-22	124.80	98.20	104.25	124.85	97.80	104.40
Feb-22	110.00	79.00	86.60	109.85	79.00	86.60
Mar-22	92.65	80.05	80.95	92.35	80.15	81.00

8. Performance of Share Price in Comparison to BSE SENSEX



9. Performance of Share Price in Comparison to NSE NIFTY



10. Registrars and Transfer Agent:

KFin Technologies Limited
 (Formerly known as KFin Technologies Private Limited)
 Selenium Tower B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda,
 Hyderabad – 500 032.
 Phone: 040-67162222
 Fax 040-23001153
 Email: einward.ris@kfintech.com
 Website: www.kfintech.com

11. Share Transfer System:

Transfer of shares in physical form is processed by the Company’s Registrar and Transfer Agents (RTA) within fifteen days from the date of lodgement, provided the documents therefor are complete in all respects. All requests for transfer/transmission in physical form after they are processed by the RTA are submitted to the Company for approval. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Shareholders have been intimated that effective April 01, 2019; transfer of shares shall not be processed unless the shares are held in the dematerialized form with the depository. Periodic reminders were sent to the Shareholders, who held the shares in the physical form, to convert them in dematerialised mode to avoid any inconvenience in future regarding the transferability of the shares. Shareholders who wish to understand the procedure for dematerialisation of shares may contact the Company or its RTA or visit the following link:

NSDL website: <https://nsdl.co.in/faqs/faq.php>

CDSL website: <https://www.cdslindia.com/investors/open-demat.aspx>

12. Shareholding Pattern

a. Categories of Shareholding as on March 31, 2022

Category	No. of Shares held	% of shareholding
Promoters	8,35,52,787	75.00%
Banks, FIs, Insurance Companies, Mutual Funds	400	0.00%
QIB	3,43,782	0.31%
Corporate Bodies	21,73,543	1.95%
Indian Public	2,12,90,518	19.11%
NRIs/OCBs/Foreign National/Clearing member	40,42,686	3.63%
Total	11,14,03,716	100.00%

b. Distribution of Shareholding as on March 31, 2022

S. No.	No. of shares	No. of shareholders	% of total shareholders	No. of shares	% to equity
1	1-5000	53,421	87.68%	62,98,122	5.65%
2	5001 - 10000	3,961	6.50%	32,26,800	2.90%
3	10001 - 20000	1,891	3.10%	29,17,261	2.62%
4	20001 - 30000	647	1.06%	16,83,195	1.51%
5	30001 - 40000	274	0.45%	9,92,579	0.89%
6	40001 - 50000	251	0.41%	11,96,797	1.07%
7	50001 - 100000	304	0.50%	22,80,319	2.05%
8	100001 and above	181	0.30%	9,28,08,643	83.31%
	TOTAL	60,930	100	11,14,03,716	100

13. Dematerialisation of shares and liquidity

The Company’s shares are compulsorily traded in the dematerialized form. The Company has arrangements with both National Securities Depository Limited (‘NSDL’) and Central Depository Services Limited (‘CDSL’) for demat facility. As on March 31, 2022, 111,304,356 shares representing 99.91% of the Company’s total shares were held in dematerialized form and the balance 99,360 shares representing 0.09% of the Company’s total shares were in the physical form. The Company’s shares are regularly traded on the National Stock Exchange of India Limited and BSE Limited.

ISIN: INE 692G01013

14. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

There are no outstanding GDRs/ADRs/Warrants.

15. Plant locations:

In view of the nature of the Company’s business viz., Information Technology (IT) Services; the Company operates from various offices in India and abroad but does not have any manufacturing plant.

16. Address for correspondence:

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrars and Transfer Agent of the Company.

Registered Office of the Company	Registrars and Transfer Agent of the Company
Xchanging Solutions Limited Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bengaluru - 560066, Karnataka, India. Phone +91 80 4364 0000 Email: compliance@xchanging.com	KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) Selenium Tower B, Plot 31 - 32 Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Phone +91 40 6716 2222 Fax +91 40 2300 1153 Email: einward.ris@kfintech.com Website: www.kfintech.com

17. No. of shares traded during the Financial Year ended March 31, 2022:

BSE 251.92 lakh Shares

NSE 1886.71 lakh Shares

18. Credit Ratings : Company is not required to take credit rating.

19. Compliance certificate by the Practicing Company Secretary:

The Company has obtained a certificate from the Practicing Company Secretary regarding the compliance of conditions of Corporate Governance as stipulated under Schedule V (E) of the Listing Regulations, which is annexed herewith as **Annexure-B**.

ANNEXURE-A TO CORPORATE GOVERNANCE REPORT

COMPLIANCE CERTIFICATE

To
The Board of Directors
Xchanging Solutions Limited
Bangalore

We, Nachiket Vibhakar Sukhtankar, Managing Director & Chief Executive Officer and Shrenik Kumar Champalal, Whole Time Director & Chief Financial Officer hereby certify to the Board that;

- a. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2022 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
 - (i) There are no significant changes in the internal control over financial reporting during the financial year ended March 31, 2022;
 - (ii) There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) There have been no instances of significant fraud of which we have become aware and involvement therein of the management or an employee having a significant role in the Company's internal control over financial reporting.
- e. We further declare that all Board Member and senior personnel have affirmed compliance with the code for the current year.

For and on behalf of the Board of Directors,

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer

Place: Mumbai
Date: May 23, 2022

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore
Date: May 23, 2022

ANNEXURE-B TO CORPORATE GOVERNANCE REPORT

Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members
Xchanging Solutions Limited
Kalyani Tech Park, Survey No. 1, 6 & 24,
Kundanhalli Village, K R Puram, Hobli,
Bangalore, Karnataka – 560 066
[CIN: L72200KA2002PLC030072]

We have examined the compliance of conditions of Corporate Governance by Xchanging Solutions Limited (“the Company”), for the financial year ended March 31, 2022 as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) pursuant to the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the management of the Company including the preparation and maintenance of all the relevant records and documents. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No: 14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719D000347133

Date : 19.05.2022
Place : Noida, U.P.

BUSINESS RESPONSIBILITY REPORT

In accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report of Xchanging Solutions Limited (“the Company” / “XSL”) for the financial year 2021-22 is presented below.

The Company’s Business Responsibility Report (BRR) is in line with principles of National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs.

The Company’s policy framework includes various codes and policies such as Employees’ Code of Conduct, Corporate Social Responsibility Policy, Whistle Blower Policy, Code for Fair Practices and Procedures for disclosure of Unpublished Price Sensitive Information etc., which are framed to enable the Company to comply with the statutory and regulatory requirements and ensure that its operations are conducted in an ethical, transparent and accountable manner. The disclosures presented in this Report cover the operations of the Company. The Business Responsibility Report of the Company is also available on its website at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

SECTION A:

GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L72200KA2002PLC030072
2.	Name of the Company	Xchanging Solutions Limited
3.	Registered and Corporate office address	Kalyani Tech Park, Survey No. 1, 6 & 24, Kundanhalli Village, K R Puram, Hobli, Bangalore, Karnataka - 560 066
4.	Website	https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations
5.	E-mail id	compliance@xchanging.com
6.	Financial Year Reported	April 1, 2021 to March 31, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Computer programming activities - NIC Code: 6201
8.	List of key products/services that the Company provides	IT Software, IT Hardware & ITES
9.	Total number of locations where business activity is undertaken by the Company	2 overseas + 2 India locations
	(I) Number of International Locations	2 (USA and Singapore)
	(II) Number of National Locations	As at March 31, 2022, the Company has 2 Offices in India.
10.	Markets served by the Company	India, USA and Singapore

SECTION B:

FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital	Rs. 111,40,37,160/- (as on March 31, 2022)
2.	Total Turnover	Rs. 5,218 Lakhs (as on March 31, 2022)
3.	Total Profit after Taxes	Rs. 2,219 Lakhs (as on March 31, 2022)
4.	Total spending on Corporate Social Responsibility (CSR) as a percentage of Profit after Tax	Total Spending on CSR is 2% of average net profit of the Company made during the three immediately preceding financial years. Refer Annexure V to the Boards’ Report in the Annual Report.
5.	List of activities in which expenditure in Sr. No. 4 above has been incurred	CSR Activities in the financial year 2021-22 were in the area of education. Educational scholarship was provided for under privileged children. Refer Annexure V to the Boards’ Report in the Annual Report.

SECTION C:

OTHER DETAILS OF THE COMPANY

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has 2 (two) direct subsidiaries and 1 (One) step down subsidiary for the financial year ended March 31, 2022
2.	Do the subsidiary company/companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	As the BR initiatives of the Company are run at global level, all subsidiaries participate in the BR initiatives.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D:

BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for Business Responsibility

a. Details of the Director responsible for implementation of the Business Responsibility Policy:

The CSR Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

S. No.	Name of the Director	DIN	Designation
1	Mr. Henry D'Souza	00276157	Independent Director
2	Mr. Venkatesh Shastry*	08277771	Independent Director
3	Mr. Pankaj Vaish#	00367424	Independent Director
4	Mrs. Rama NS	06720033	Independent Director
5	Mrs. Kalpana Tatavarti	06644105	Non-Executive Director
6	Mr. Shrenik Kumar Champalal	08099410	Whole Time Director & CFO

* Resigned on May 5, 2022

Appointed on May 4, 2022

b. Details of the Business Responsibility Head:

1.	DIN (if applicable)	NA
2.	Name	Mr. Lokendra Kumar Sethi
3.	Designation	Head HR – India
4.	E-mail Id & Telephone No.	lokendra.sethi@dxc.com, +91 80 43640000

2. Principle-wise as per National Voluntary Guidelines (NVGs) Business Responsibility Policies:

NINE PRINCIPLES OF THE NVGs:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3	Businesses should promote the well-being of all employees.
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect, protect and make efforts to restore the environment.

Business Responsibility Report

Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The principle wise responses are given below:

Sl. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics Transparency & Accountability	Business Lifecycle Sustainability	Wellbeing of all employees	Stakeholder's Engagement	Human Rights	Protection of Environment	Public Advocacy	Inclusive Growth and equitable development	Customers' Value
1	Is there a policy for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)
3	Does the policy confirm to any national/ international standards? If yes, specify?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online	Y (Refer Note b)	Y (Refer Note b)	- (Refer Note c)	Y (Refer Note b)	- (Refer Note c)	- (Refer Note c)	-	Y (Refer Note b)	- (Refer Note c)
7	Has the policy been formally communicated to all the relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the Company have an in-house structure to implement the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism to address stakeholders' grievances related to the policy?	Y	Y	Y	-	Y	-	-	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y (Refer Note 'd')	Y (Refer Note 'd')	Y (Refer Note 'd')	Y (Refer Note 'd')	Y (Refer Note 'd')	Y (Refer Note 'd')	-	Y (Refer Note 'd')	Y (Refer Note 'd')

# Principle-wise Policies		
P1	Ethics, Transparency & Accountability	The Company's Policy on Code of Conduct for Board Members, Senior Management Personnel and Employees of the Company, Whistle Blower Policy, Code of Conduct for Prevention of Insider Trading, Policy on Sexual Harassment elucidate ethical behaviour, transparency and accountability.
P2	Business Lifecycle Sustainability	The Company promotes a culture where all efforts are directed towards providing good quality and safe products to all our customers.
P3	Well-being of all Employees	The Company has various policies to support employee well-being. The important ones include the Policy for prevention of sexual harassment, leave policy, health insurance policy, term insurance policy, policy on maternity benefits for female employees, policy for ensuring safety of women at workplace, policy on training and education of employees.
P4	Stakeholder's Engagement	The Company's CSR Policy, Shareholders Grievance Redressal mechanism guide this principle.
P5	Human Rights	The Company's Policy on Code of Conduct, Whistle Blower mechanism and Policy on Sexual Harassment encourage a work place environment which is free from any kind of human rights violations.

P6	Protection of Environment	The employees of the Company are sensitized to prevent wasteful usage of natural resources and conserve energy.
P7	Public Advocacy	While the Company may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose.
P8	Inclusive Growth and Equitable Development	The CSR Policy which is focussed on the marginalized and vulnerable section of the society including offering scholarship and financial assistance to meritorious students from underprivileged communities/ disabled, to provide MP3 Player for visually challenged students, developing, augmenting and supporting infrastructure in educational institutions, providing mid-day meals to students of government schools etc.
P9	Customer's Value	The Code of Conduct, Shareholders Grievance Redressal Mechanism, Whistle Blower Policy etc. which have been laid down shall provide a facility to its customers, shareholders and others to record their grievances/ feedback.

Notes:

- a. The policies have been formulated in accordance with the applicable laws and regulations and through appropriate consultation with relevant stakeholders and after considering the best practices adopted by the industry.
- b. May include a combination of internal policies of the Company which are accessible to all internal stakeholders and the policies are placed on the Company's website. The hyperlink is <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.
- c. The policies of the Company are internal documents and are not accessible to the public. The hyperlink is <https://dxcportal.sharepoint.com/sites/policy>.
- d. The policies are internally evaluated by various department heads, business heads and the management.

3. Governance related to Business Responsibility:

- a. **Indicate the frequency with which the Board of Directors, Committee of the Board assesses the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year**

The executive directors and senior management of the Company monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a regular basis.

The BRR is reviewed annually.

- b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

The BRR forms part of the Annual Report 2021-22 and is available on the Company's website. The hyperlink is: <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the group/joint ventures/suppliers/contractors/NGOs/others?**

Yes. XSL considers ethical practices as an integral part of good management and is committed to act professionally, fairly and with integrity in all its dealings. The Company has a Policy on Code of Conduct for Board Members, Senior Management Personnel and Employees of the Company, Whistle Blower Policy, Code of Conduct for Prevention of Insider Trading, Policy on Sexual Harassment which governs the conduct of the employees as well as Directors of the Company.

The Whistle Blower Policy specifically covers issues related to ethics, bribery and corruption which has helped it not only gain the tremendous confidence and trust of its stakeholders but also market leadership. The said policy is available on the website of the Company at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

XSL ensures compliance of ethical standards not only by its employees but also by its vendors, contractors etc. through appropriate clauses in the work contract signed with them.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

Details of the stakeholder complaints received during the financial year 2021-22 and pending as on March 31, 2022 are as under

Sl. No.	Nature of Complaints	No. of complaints received during the Year	No. of complaints resolved	% of complaints resolved
1	Complaints/ queries received from customers	0	0	NA
2	Investor complaints	0	0	NA

During financial year 2021-22, no ethics concerns were received from any of the stakeholders.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

XSL is associated with computer programming activities and is not engaged in the business concerning design of products / services that could raise social concerns, economic risks and/or hazardous opportunities. Hence, the said principle may not be strictly applicable to XSL. However, XSL through its Business Policy is contributing positively to the socio-economic development.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company's focus is to maintain the highest standards of safety and sustainability in its services offered in alignment to Company's goals.

On account of the nature of the services provided, the major resource consumed at the Company is paper. The Company contributes towards sustainable service delivery through paperless transaction. The Company emphasizes on integrating sustainable practices within its value chain (suppliers and customers) through acceptance of payments through Digital/online mode which in turn reduces the paper usage. Vendors are paid through NEFT/RTGS mode.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

The primary resource consumption of the Company is paper. The Company emphasizes on integrating sustainable practices within its value chain (suppliers and customers) through acceptance of payments through Digital/online mode which in turn reduces the paper usage. Vendors are paid through NEFT/RTGS mode.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The Company has its presence all over India and has a practice of purchasing goods and services required for its operations from local suppliers. The Company is progressing more towards digital transactions.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

Yes. The Company's main waste products comprises of paper waste and electronic waste. The Company has taken a paper recycling initiative in terms of re-usage of old print outs. The Company also monitor usage of paper consumption. The Company has a mechanism for responsible disposal of electronic waste in accordance with applicable laws.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL BEING OF ALL EMPLOYEES

1	Total Number of Permanent Employees	137
2	Number of Employees hired on Temporary/ Contractual/Casual Basis	NIL
3	Number of Permanent Women Employees	25
4	Permanent Employees with disabilities	NIL
5	Is there an Employee association that is recognized by management?	The Company does not have any employee association.
6	Percentage of permanent employees that are members of this recognised employee association	Not Applicable

1. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at the end of the financial year
1	Child Labour/Forced Labour, Involuntary Labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory Employment Practices	Nil	Nil

2. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

XSL has always believed that its employees are its most valued resource and hence, has always ensured their all-round development through regular training & leadership programs. The Company has given access to all the employees to the DXC Group university which provides various kind of development and leadership program to the employee.

Given below are the details of training imparted during the year:

1	Permanent employees to whom training has been imparted	137
2	Permanent women employees to whom training has been imparted	25
3	Casual/Temporary/Contractual Employees to whom training has been imparted	NA
4	Employees with Disabilities to whom training has been imparted	NA

For XSL, safety of its employees is of paramount importance and as a good corporate citizen; it is committed to ensuring safety of all its employees at the workplace. Periodic communication and alerts are sent out to employees and awareness sessions are conducted on safety related aspects. Employees including those at branches are given periodic training on basic and advanced fire safety including evacuation drills.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

1. Has the Company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes, XSL has identified the disadvantaged, vulnerable and marginalised stakeholders through community visits, household visits and socio-scientific needs assessments in under-resourced areas. The Company engages with these stakeholders through structured development initiatives, undertaken through its Corporate Social Responsibility (CSR) projects.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, marginalised stakeholders?

XSL is a socially responsible organization and is committed to working for the welfare of the communities around us. The community engagement interventions of the group include:

1. Education scholarship for the underprivileged children
2. Job oriented skill program for Transgenders
3. Vocational skill training (Beautician, Tailoring, courses, etc) for Women
4. Python and soft skill training for the youth Girls
5. Setting up IT infrastructure for the underprivileged children
6. Skill training in ITO, GSD & BPO roles for the Graduates
7. Upgrading infrastructure facilities in Govt./Govt. aided schools
8. Model School Infrastructure Development

The Company's CSR activities focus on the disadvantaged, vulnerable, and marginalised segments of society particularly Children, Women, and the Third Gender.

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the Corporation on human rights cover only the company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?

Respecting and understanding the Human Rights and addressing the potential human rights violation is important responsibility of any organisation. XSL has adopted several policies viz., Code of Conduct, Policy against Sexual Harassment, Whistle Blower Policy, etc., which ensures that there are no violation of human rights in its conduct.

XSL adheres to all statutes which embody the principles of human rights such as non-discrimination, prevention of child labour, prevention of sexual harassment etc. XSL is committed to a work environment in which all individuals are treated with fairness, respect and dignity. Persons not directly connected to the Company viz., an outside vendor, consultant, supplier or client are also expected to comply with principles of human rights in all respects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, the Company did not receive any complaint in the nature of human rights violation from any stakeholder.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy relate to Principle 6 cover only the company or extends to the group/joint ventures/suppliers/contractors/NGOs/others?

The group has a dedicated Environmental Policy that serves as the guideline for developing initiatives for protecting and restoring environment. This policy is applicable across the Company and its subsidiaries for achieving excellence in environmental performance. This policy also applies to the suppliers, contractors and all other partners across the value chain for addressing the global environmental challenges.

In addition, the employees of the Company are sensitized to prevent wasteful usage of natural resources and conserve energy.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

Yes. The Company strives towards imbibing green sustainable products, processes, policies and practices. We promote cost efficient environment-friendly measures and build awareness and consciousness of our environment among employees. The Company tries to integrate sustainable measures in the day-to-day operations by reduction of paper usage, maintenance of data and records electronically, etc. Various measures are taken to reduce the consumption of electricity by installing energy efficient equipment in our office premises.

3. Does the company identify and assess potential environmental risks?

Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is led?

Not Applicable as the Company does not generate any hazardous waste.

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.?

XSL promotes ecological sustainability and green initiatives by use of energy efficient resources. The Company also promotes reducing the use of paper communication and encourages use of electronic means of communication which serves towards environmental protection and sustainable growth. XSL has adopted various measures as below:

- Sends various notices and documents, including Annual Report, to its shareholders through electronic mode to their registered e-mail addresses.
- Has requested shareholders to register their e-mail IDs to get Annual Reports and other communications through e-mail instead of opting in paper mode.
- Has provided video conference facilities at most of its offices, thereby facilitating participation in meetings via video conference and avoid commuting and travel. This helps save the fuel on transport as well as time on travel.
- Continue installing energy efficient servers, thereby causing reduction in carbon footprint.
- E-waste is disposed off in proper way.

The above actions of the Company will contribute towards saving environment by reduction in usage of resources.

6. Are the emissions/waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None. There were no show cause/ legal notices received from CPCB/ SPCB during the Financial Year 2021-22.

PRINCIPLE 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

DXC Group as a whole is a member of various industry bodies and trade associations such as NASSCOM, etc.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

No

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

Yes. The Company and the group undertakes several projects that are focused on social development. In Financial Year 2021-22, inclusive growth was promoted by focusing primarily on three social sector areas, namely:

Focus Area	Mission
Education	Digitalization, Training, and Scholarship Programs
Workforce Inclusivity	Foster Digital Literacy through E-learning, and Vocational Training
Humanitarian Support	Deliver emergency assistance to victims of natural disaster or periods of crisis or trauma
Environmental Sustainability	Support environmental focussed projects to improve the environment and benefit the wider community

Education

- Education scholarship for 300 underprivileged children
- Python and soft skill training for the 500 youth Girls
- Setting up IT infrastructure for the 500 underprivileged children
- Upgrading infrastructure facilities in 100 Govt./Govt. aided schools across PAN India
- Model School infrastructure development works in 7 Govt. schools

Workforce Inclusivity

- Job oriented skill program for 450 Transgenders
- Vocational skill training (Beautician, Tailoring, courses, etc) for 500 Women
- Skill training in ITO & BPO roles for the 16125 Graduates
- Skill training in GSD roles for the 3000 Graduates

2. **Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?**

XSL has undertaken its social welfare activities for financial year 2021-22 through external NGO Samiti for Education Environment Social and Health Action (SEESHA) as a CSR initiative.

3. **Has the company done any impact assessment of its initiative?**

Not Applicable.

4. **What is the company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

In the financial year 2021-22, XSL had a CSR Budget of Rs.48.56 Lakhs and has spent the entire amount on Education scholarships for the Underprivileged Children.

Project Objective: The purpose of the project is to provide Educational Support to Underprivileged Children.

Beneficiaries: 200 Underprivileged Children

Location: Tamil Nadu, Karnataka, Gujarat, Jharkhand.

Expected Results:

- Scholarship will help them continue their education and not drop out of School.

- Long Term: This will provide an opportunity to lift their family out of Poverty.
- Long Term: This will increase their chances of future employment.

For more details, please refer to Annexure V of Boards' Report in this Annual Report.

5. Has the company taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes. Projects are designed based on the assessment of community needs. The Initiatives taken by XSL are regularly monitored through follow-up with the partnering organisations, site visits to monitor the programme, and progress reports for the activities undertaken by the project. Regular interaction with the partnering organisation and the community has helped in ensuring that best practices are adopted and also addressing any challenges for the successful implementation of such initiatives.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/consumer cases are pending as at the end of the financial year?

None

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks

Not applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?

None

4. Did the company carry out any consumer survey / consumer satisfaction trends?

The Company has not carried out any formal consumer survey to map consumer satisfaction.

INDEPENDENT AUDITOR'S REPORT

To The Members of Xchanging Solutions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Xchanging Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 3.1 (ii) and Note 36 to the Standalone financial statements.</p>	<p>Principal Audit Procedures performed:</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls relating to:</p> <ol style="list-style-type: none">(1) identification, evaluation, recognition of provisions, and disclosure of material uncertain tax positions including matters under dispute by considering the assumptions and information used by management in performing this assessment;(2) completeness and accuracy of the underlying data/information used in the assessment. <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2022 from management. With the assistance of our internal experts, we challenged the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2021 to evaluate whether any change was required to management's position on these uncertainties.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Boards' Report including Annexures to Board's Report, Management Discussion and Analysis Report and Corporate Governance Report including Annexures thereon but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Independent Auditor's Report

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 44.2 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 44.2 to the financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation given by the Management under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

Independent Auditor's Report

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Gurvinder Singh
(Partner)
(Membership No. 110128)
(UDIN: 221101128AJXXSF2644)

Place: Bangalore
Date: May 23, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Xchanging Solutions Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Independent Auditor's Report

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Gurvinder Singh
(Partner)

(Membership No. 110128)
(UDIN: 221101128AJXXSF2644)

Place: Bangalore
Date: May 23, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital work-in-progress.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) The Company has a program of verification of property, plant and equipment and right-of-use assets to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year, the question of reporting on material discrepancies noted on verification does not arise.
- (i) (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (i) (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (i) (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
- (ii) (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iii) (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.
- (iii) (b) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(b) of the Order is not applicable.

Independent Auditor's Report

- (iii) (c) The Company has granted loans or provided advances in the nature of loan are payable on demand. During the year the Company has not demanded such loan or advances in the nature of loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.
- (iii) (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (iii) (e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.
- (iii) (f) The Company has granted Loans or advances in the nature of loans which are repayable on demand, details of which are given below:

Amount (Rs. in lakhs)

	All Parties*	Promoters*	Related Parties*
Aggregate of loans/advances in nature of loans			
- Repayable on demand (A)	18,901	900	18,001#
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	18,901	900	18,001
Percentage of loans/advances in nature of loans to the total loans	100%	100%	100%

*The amounts reported are at gross amounts, without considering provisions made.

#This includes Rs. 718 Lakhs to a subsidiary of promoter.

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii) (a) In respect of statutory dues:
Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year. There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (vii) (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. In lakhs)
Income Tax Act, 1961	Income Tax	Assessing Officer	FY 2009-10	6
Income Tax Act, 1961	Income Tax	Assessing Officer	FY 2012-13	*
Income Tax Act, 1961	Income Tax	Assessing Officer	FY 2013-14	30**
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal (ITAT)	FY 2015-16	112
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal (ITAT)	FY 2016-17	333
Finance Act, 1994	Service Tax (including penalty)	Customs Excise and Service Tax Appellate Tribunal (CESTAT)	FY 2007-08 to 2011-12	4,541#

*Net of Rs. 85 lakhs paid under protest

**Net of Rs. 587 lakhs paid under protest

#Net of Rs. 177 lakhs paid under protest

Independent Auditor's Report

- viii) According to the information and explanations provided to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- ix) (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- ix) (d) The Company has not raised funds on short-term basis and hence, reporting under clause (ix)(d) of the Order is not applicable to the Company.
- ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- ix) (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments) during the year and hence, reporting under clause (x)(a) of the Order is not applicable.
- x) (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- xi) (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- xi) (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- xiv) (b) We have considered, the internal audit reports issued to the Company during the year and till date for the year under audit.
- xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a),(b),(c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- xvi) (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any

Independent Auditor's Report

assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Gurvinder Singh
(Partner)
(Membership No. 110128)
(UDIN: 221101128AJXXSF2644)

Place: Bangalore
Date: May 23, 2022

BALANCE SHEET

XCHANGING SOLUTIONS LIMITED

Balance Sheet as at March 31, 2022

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	46	66
Right of use assets	5	167	107
Other intangible assets	6	2	3
Financial assets			
Investments	7	5,186	5,186
Loans	8	718	1,618
Other financial assets	9	-	101
Deferred tax assets (net)	10	665	734
Other non-current assets	11	2,114	2,225
Total non-current assets		8,898	10,040
Current assets			
Financial assets			
Trade receivables	12	508	496
Cash and cash equivalents	13	20,205	18,447
Bank balances other than above	14	17	16
Loans	8	900	-
Other financial assets	9	97	120
Other current assets	11	102	96
Total current assets		21,829	19,175
Total assets		30,727	29,215
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	11,140	11,140
Other equity	16	15,593	13,394
Total equity		26,733	24,534
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	34	134	180
Provisions	17	403	389
Total non-current liabilities		537	569

Balance sheet

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
Current liabilities			
Financial liabilities			
Lease liabilities	34	38	85
Trade payables			
- Dues of micro enterprises and small enterprises	18	-	1
- Dues of creditors other than micro enterprises and small enterprises	18	470	532
Other financial liabilities	19	8	20
Provisions	17	137	109
Current tax liabilities (net)	20	2,709	3,268
Other current liabilities	21	95	97
Total current liabilities		3,457	4,112
Total liabilities		3,994	4,681
Total equity and liabilities		30,727	29,215

See accompanying notes to the financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Gurvinder Singh
Partner
Membership No. 110128

Place: Bengaluru
Date: May 23, 2022

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

Place: Mumbai
Date: May 23, 2022

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN: 08099410

Place: Bengaluru
Date: May 23, 2022

Mayank Jain
Company Secretary

Place: Delhi
Date: May 23, 2022

STATEMENT OF PROFIT AND LOSS

XCHANGING SOLUTIONS LIMITED Statement of Profit and Loss for the year ended March 31, 2022

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	For the year ended	For the year ended
		March 31, 2022	March 31, 2021
Revenue from operations	22	4,385	4,097
Other income	23	833	1,451
Total Income		5,218	5,548
Expenses			
Employee benefits expense	24	2,037	2,164
Finance costs	25	16	25
Depreciation and amortisation expense	26	89	87
Other expenses	27	795	1,052
Total expenses		2,937	3,328
Profit before tax		2,281	2,220
Tax expense/ (benefit)			
Current tax	28	728	775
Current tax- for the earlier years	28	(742)	(372)
Deferred tax	28	76	(4)
Total tax expense		62	399
Profit for the period		2,219	1,821
Other comprehensive income/ (expense)			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		(27)	3
(ii) Income tax relating to items that will not be reclassified to profit or loss		7	(1)
Total other comprehensive income/ (expense)		(20)	2
Total Comprehensive Income for the period		2,199	1,823
Earnings per Equity Share (of Rs.10 each)	30		
Basic- In Rs.		1.99	1.63
Diluted- In Rs.		1.99	1.63

See accompanying notes to the financial statements
In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Gurvinder Singh
Partner
Membership No. 110128

Place: Bengaluru
Date: May 23, 2022

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

Place: Mumbai
Date: May 23, 2022

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN: 08099410

Place: Bengaluru
Date: May 23, 2022

Mayank Jain
Company Secretary

Place: Delhi
Date: May 23, 2022

XCHANGING SOLUTIONS LIMITED
Statement of changes in equity for the year ended March 31, 2022

(All amounts in Rs. Lakhs, unless otherwise stated)

a EQUITY SHARE CAPITAL

Balance at April 1, 2020	11,140
Changes in equity share capital during the year	-
Balance at March 31, 2021	11,140
Changes in equity share capital during the year	-
Balance at March 31, 2022	11,140

b OTHER EQUITY

Particulars	Reserves & Surplus			Total other equity
	Capital reserve	Security premium	Retained earnings*	
Balance as of April 1, 2020	57	8,417	3,097	11,571
Profit for the year	-	-	1,821	1,821
Other comprehensive income for the year, net of tax (remeasurement of defined benefit plans)	-	-	2	2
Balance as of March 31, 2021	57	8,417	4,920	13,394

Particulars	Reserves & Surplus			Total other equity
	Capital reserve	Security premium	Retained earnings*	
Balance as of April 1, 2021	57	8,417	4,920	13,394
Profit for the year	-	-	2,219	2,219
Other comprehensive income for the year, net of tax (remeasurement of defined benefit plans)	-	-	(20)	(20)
Balance as of March 31, 2022	57	8,417	7,119	15,593

*Includes transfer of General Reserve in the YE 2011 to the extent of Rs. 5,612 created mainly on account of Debenture redemption reserve, revaluation of investments and adjustment on merger scheme in YE 2008/2009.

See accompanying notes to the financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Gurvinder Singh

Partner

Membership No. 110128

Place: Bengaluru

Date: May 23, 2022

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar

Managing Director and

Chief Executive Officer

DIN: 08778377

Place: Mumbai

Date: May 23, 2022

Shrenik Kumar Champalal

Whole Time Director and

Chief Financial Officer

DIN: 08099410

Place: Bengaluru

Date: May 23, 2022

Mayank Jain

Company Secretary

Place: Delhi

Date: May 23, 2022

CASH FLOW STATEMENT

XCHANGING SOLUTIONS LIMITED Statement of Cash Flows for the year ended March 31, 2022

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,281	2,220
Adjustments for:		
Depreciation and amortisation expense	29	18
Depreciation of right-of-use assets	60	69
Foreign exchange loss - unrealised	(141)	116
Interest income	(692)	(712)
Provision for doubtful advances	1	107
Liabilities no longer required written back	(11)	(4)
Other provisions no longer required written back	(97)	(102)
Interest expense	16	25
Operating profit before working capital changes	1,446	1,737
Adjustments for changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	129	204
Other current assets	(6)	77
Loans & other financial assets and other assets	74	(351)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(63)	(72)
Other financial liabilities and other liabilities	92	35
Provisions	15	78
Cash generated from operations	1,687	1,708
Taxes paid (net of refunds)	(545)	(402)
Net cash generated from operating activities (A)	1,142	1,306
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8)	(51)
Deposits with banks with maturity period more than 3 months but less than 12 months	(1)	1
Receipt of lease receivables	39	56
Interest received	693	754
Net cash generated from investing activities (B)	723	760

Cash Flow Statement

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(107)	(134)
Net cash used in financing activities (C)	(107)	(134)
Net increase in cash and cash equivalents (A + B + C)	1,758	1,932
Cash and cash equivalents at the beginning of the year	18,447	16,515
Cash and cash equivalents at the end of the year	20,205	18,447
Cash on hand	-	-
Balances with banks:		
In current accounts	308	203
Demand deposits (less than 3 months maturity)	19,897	18,244
Net cash and cash equivalents included in note 13	20,205	18,447
Cash and cash equivalents	20,205	18,447

Notes:

(1) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Gurvinder Singh
Partner
Membership No. 110128

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN: 08099410

Place: Bengaluru
Date: May 23, 2022

Place: Mumbai
Date: May 23, 2022

Place: Bengaluru
Date: May 23, 2022

Mayank Jain
Company Secretary
Place: Delhi
Date: May 23, 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

XCHANGING SOLUTIONS LIMITED Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

1. GENERAL INFORMATION

Xchanging Solutions Limited ('the Company'), incorporated on February 1, 2002, is an information technology (IT) services provider with operations in India and an international presence established through subsidiaries in USA and Singapore.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 & relevant amendment rules issued thereafter and guidelines issued by the Securities and Exchange Board of India (SEBI) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

2.2 Revenue recognition

Revenue is recognised net of Goods and Services Tax (GST) to the extent that it is probable that economic benefit will flow to the Company and that revenue can be reliably measured. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

- (i) Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.
- (ii) In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For software

(All amounts in Rs. Lakhs, unless otherwise stated)

development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

- (iii) Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.
- (iv) Revenue from licenses where the customer obtains a “right to use” the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognised over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Maintenance Contracts (AMC). The company has applied the principles under Ind AS 115 to account for revenues from these performance obligations.

When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognised using the percentage-of-completion method as the implementation is performed. Revenue from support and other services arising due to the sale of software products is recognised as the performance obligations are satisfied. AMC revenue is recognised ratably over the period in which the services are rendered.

- (v) Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.
- (vi) Deferred and unearned revenues represent the estimated unearned portion of fees derived from certain fixed-rate service agreements. Unearned revenues for fixed fee contracts are recognised on a pro-rata basis over the term of the underlying service contracts, which are generally one year.
- (vii) Unbilled revenue represents costs and earnings in excess of billings as at the balance sheet date.

2.3 Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accounted on accrual basis and recognised at effective interest rate wherever applicable. Dividend income is accounted for when the right to receive it is established.

2.4 Leases

As a lessee:

The Company’s lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease

(All amounts in Rs. Lakhs, unless otherwise stated)

term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Sublease: In respect of premises let out on sub lease, the Company recognises the lease payments as income on a straight-line basis over the term of the lease.

2.5 Foreign currencies

(i) Functional and presentation currency

The functional currency of the Company is the Indian rupee.

(ii) Initial recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(iii) Subsequent recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period other than those monetary assets which are provided for being doubtful of recovery.

Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

2.6 Employee benefits

2.6.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(All amounts in Rs. Lakhs, unless otherwise stated)

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.6.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits, are measured at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The Company has a policy on compensated absences which are accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.7.1 Current tax

Income tax expense or credit for the period is the tax payable on the current period's taxable income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.7.2 Deferred tax

Deferred income tax assets and liabilities are recognized for all temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred taxes and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.7.3 Current tax and deferred tax for the year

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.8 Property, plant and equipment and depreciation

- (i) Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses. Cost comprises the purchase price and any directly attributable costs of bringing the assets to their working condition for their intended use.
- (ii) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, plant & equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into

(All amounts in Rs. Lakhs, unless otherwise stated)

account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc:

<u>Category of assets</u>	<u>Estimated useful life</u>
Computers	4 to 7 years

- (iii) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
- (iv) Leasehold improvements are amortised over the period of lease or five years (useful life), whichever is lower.
- (v) Assets individually costing up to Rupees five thousand are fully depreciated in the year of purchase.

2.9 Intangible Assets and Amortisation

Intangible assets with finite useful lives are stated at cost of acquisition less accumulated amortisation and impairment losses.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. Intangible assets comprise of computer software which is amortised on straight-line basis over an estimated useful life of upto seven years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.10 Impairment of tangible and intangible assets

The carrying values of tangible and intangible assets at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and (b) an intangible asset with indefinite useful life.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.11 Provisions and contingent liabilities

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts (i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it) are recognised when it is probable that cash outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value depending on the classification of the Financial assets.

2.13.1 Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.13.3

Financial assets that meet the following conditions are subsequently measured at Fair Value Through Other Comprehensive Income ("FVTOCI") (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI financial assets. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for financial assets through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on financial assets at FVTOCI, refer Note 2.13.3

All other financial assets are subsequently measured at fair value.

2.13.2 Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(All amounts in Rs. Lakhs, unless otherwise stated)

2.13.3 Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR).

Allowance for Trade receivables

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

2.13.4 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

2.13.5 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

2.13.6 Investment in subsidiaries

Investment in subsidiaries is carried at cost less provision for diminution in the separate financial statements.

2.14 Financial liabilities

Classification as debt

Debt are classified as financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability

Financial liabilities

2.14.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL, are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

2.14.2 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the

(All amounts in Rs. Lakhs, unless otherwise stated)

end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

2.14.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.15 Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.16 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.17 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.19 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.20 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance based on an analysis of various performance indicators by business segments and geographic segments.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, is included as "Unallocated". Segment assets includes all the assets except for deferred tax assets which are treated as unallocable.

The dominant source of risk and returns of the enterprise is considered to be the business in which it operates, viz. - Information Technology (IT) Services. The sub businesses are fully aligned to IT Services business of the Company and the same are being viewed by the management as a single business segment. Being a single business segment company, no primary segment information is being provided.

(All amounts in Rs. Lakhs, unless otherwise stated)

2.21 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.22 Project work expenses

Project work expenses represents amounts charged by sub-contractors. These expenses are recognised on an accrual basis.

2.23 GST input credit

GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/ utilising the credits.

2.24 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2.25 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss under respective head in the period in which they become receivable.

2.26 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16– Property Plant and equipment- The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37– Provisions, Contingent Liabilities and Contingent Assets- The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its financial statements.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management have made in the

(All amounts in Rs. Lakhs, unless otherwise stated)

process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- i) Impairment of investment in subsidiaries- Determining whether investment in subsidiaries is impaired requires an estimation of the value in use of the subsidiaries. The value in use calculation requires the management to estimate the future cash flows expected to arise from the subsidiaries operations and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. No impairment for investment in subsidiaries has been identified during the year.
- ii) Income taxes- The Company has tax jurisdiction in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to note 28.
- iii) Fair value measurements and valuation processes- The gratuity liability is measured based on actuarial valuation for financial reporting purposes. In estimating the fair value and actuarial valuation, the Company uses market-observable data to the extent it is available. Where such inputs are not available, the Company engages third party qualified valuers to perform the valuation.
- iv) Estimation uncertainty relating to COVID-19 outbreak- The Company has considered internal sources of information up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
4 PROPERTY, PLANT AND EQUIPMENT		
(Refer note 2.8 and 2.10)		
(Owned unless specified)		
Carrying amounts of:		
Leasehold Improvements	5	7
Computers	37	53
Office Equipment	3	3
Furniture and Fittings	1	3
	<u>46</u>	<u>66</u>

The changes in the carrying value for the year ended March 31, 2022

Particulars	Leasehold Improvements	Computers	Office Equipments	Furniture and Fittings	Total
Gross carrying value					
Balance as at April 1, 2020	15	883	152	13	1,063
Additions	-	36	-	1	37
Disposals	-	(20)	(43)	(5)	(68)
Balance as at March 31, 2021	15	899	109	9	1,032
Additions	6	-	2	-	8
Disposals	-	-	(20)	-	(20)
Balance as at March 31, 2022	21	899	91	9	1,020
Accumulated depreciation					
Balance as at April 1, 2020	5	855	147	10	1,017
Depreciation expense	3	11	2	1	17
Eliminated on disposals of assets	-	(20)	(43)	(5)	(68)
Balance as at March 31, 2021	8	846	106	6	966
Depreciation expense	8	16	2	2	28
Eliminated on disposals of assets	-	-	(20)	-	(20)
Balance as at March 31, 2022	16	862	88	8	974
Carrying value as at March 31, 2022	5	37	3	1	46
Carrying value as at March 31, 2021	7	53	3	3	66

5 RIGHT OF USE ASSETS

(Refer note 2.4)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

Particulars	Buildings
Balance as at April 1, 2020	176
Additions	-
Depreciation	(69)
Balance as at March 31, 2021	107
Additions	198
Deletions	(78)
Depreciation	(60)
Balance as at March 31, 2022	167

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
6 OTHER INTANGIBLE ASSETS		
(Refer note 2.9 and 2.10)		
Carrying amounts of:		
Computer software	2	3
	<u>2</u>	<u>3</u>

Particulars	Computer software	Total
Gross carrying value		
Balance as at April 1, 2020	63	63
Additions	1	1
Disposals	-	-
Balance as at March 31, 2021	64	64
Additions	-	-
Disposals	-	-
Balance as at March 31, 2022	64	64
Accumulated amortisation		
Balance as at April 1, 2020	60	60
Amortisation expense	1	1
Disposals	-	-
Balance as at March 31, 2021	61	61
Amortisation expense	1	1
Disposals	-	-
Balance as at March 31, 2022	62	62
Carrying value as at March 31, 2022	2	2
Carrying value as at March 31, 2021	3	3

	As at March 31, 2022	As at March 31, 2021
7 INVESTMENTS		
Non-current		
Investments in equity instruments		
Wholly owned Subsidiary Companies :		
(Unquoted, at cost, unless otherwise stated, fully paid up)		
(Refer note 2.10, 2.19, 2.13.6 and 3.1.(i))		
Xchanging Solutions (Singapore) Pte Limited, Singapore 2,300,000 (2021: 2,300,000) ordinary shares of Singapore\$1 each	7	7
Xchanging Solutions (Europe) Limited, UK Nil (2021: 1) ordinary shares of GBP 1 each [Refer note 39]	-	-
(Less): Provision for diminution in value of investment	-	-
Xchanging Solutions (USA) Inc, USA 1,000 (2021: 1,000) common stock of US\$ 9,930 (2021: US\$ 9,930) each [Refer note 38]	11,224	11,224
(Less): Provision for diminution in value of investment	(6,045)	(6,045)
	<u>5,186</u>	<u>5,186</u>
Aggregate carrying value of unquoted investments	11,231	11,231
Aggregate amount of impairment in value of investments	(6,045)	(6,045)

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
8 LOANS		
(Refer note 2.13 and 2.16)		
Unsecured, considered good unless otherwise stated		
Non-current		
Loans and advances:		
Subsidiaries [Refer note 38 and note (i) below]:		
- Considered doubtful	17,283	17,283
(Less): Provision for doubtful loans	(17,283)	(17,283)
Fellow subsidiaries [Refer note 33 and note (ii) below]	718	1,618
	718	1,618
Current		
Loans and advances:		
Fellow subsidiaries [Refer note 33 and note (ii) below]	900	-
	900	-

Notes:

- (i) As at March 31, 2022, the loans and advances balance of Rs. 17,283 (2021: Rs. 17,283) due from subsidiaries is interest free and repayable on demand. However, management does not have an intention to demand these loans in the next 12 months and hence these have been classified under non-current financial assets. These financial assets are carried at amortised cost.
- (ii) As at March 31, 2022, the loans and advances balance of Rs. 1,618 (2021: Rs. 1,618) due from fellow subsidiaries is at 12% interest rate p.a. and repayable on demand. However, management does not have an intention to demand these loans except for Rs. 900 in the next 12 months and hence these have been classified under current and non-current financial assets accordingly. These financial assets are carried at amortised cost.

Loans to Promoters, Directors, KMP and Related Parties (including interest accrued)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Promoter				
- Xchanging Technology Services India Private Limited (Fellow subsidiary)	908	908	5%	5%
Director	-	-	-	-
KMPs	-	-	-	-
Individual Related Parties:				
- Xchanging Solutions (USA) Inc (Subsidiary Company)	17,283	17,283	91%	91%
- Xchanging Builders (India) Private Limited (Fellow subsidiary)	725	725	4%	4%
Total	18,916	18,916	100%	100%

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
9 OTHER FINANCIAL ASSETS		
(Refer note 2.2, 2.13 and 2.16)		
Unsecured considered good unless otherwise stated		
Non-current		
Lease receivable from fellow subsidiaries [Refer note 33]	-	101
	<u>-</u>	<u>101</u>
Current		
Expenses recoverable from subsidiaries [Refer note 33]:	5	5
Lease receivable from fellow subsidiaries [Refer note 33]	-	46
Security deposits		
- Considered good	38	-
- Considered doubtful	-	117
(Less): Provision for doubtful advances	-	(117)
Unbilled revenue		
- Fellow subsidiaries [Refer note 33]	7	-
- Others	19	44
Interest accrued on loans to fellow subsidiaries [Refer note 33]	15	15
Interest accrued on bank deposits	-	1
Other Loans and advances (includes advances to employees and other receivables)		
- Considered good	13	9
- Considered doubtful	9	13
(Less): Provision for doubtful advances	(9)	(13)
	<u>97</u>	<u>120</u>

10 DEFERRED TAX ASSETS (NET)

(Refer note 2.7 and 3.1.(ii))

Details of deferred tax assets and liabilities as at March 31, 2022 comprise of the following:

Particulars	As at April 1, 2021	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehen- sive Income	As at March 31, 2022
Deferred Tax Assets				
Depreciation	121	14	-	107
Provision for gratuity	85	(5)	(7)	97
Provision for compensated absences	40	1	-	39
Provision for other employee benefits	32	(8)	-	40
Provision for doubtful debts	317	40	-	277
Provision for doubtful advances	125	35	-	90
Adjustment for lease	6	5	-	1
Others	8	(6)	-	14
Total (A)	734	76	(7)	665
Deferred Tax Liabilities (B)	-	-	-	-
Deferred Tax Assets (Net) (A)-(B)	734	76	(7)	665

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2021

Particulars	As at April 1, 2020	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2021
Deferred Tax Assets				
Depreciation	146	25	-	121
Provision for gratuity	78	(8)	1	85
Provision for compensated absences	28	(12)	-	40
Provision for other employee benefits	15	(17)	-	32
Provision for doubtful debts	330	13	-	317
Provision for doubtful advances	118	(7)	-	125
Adjustment for lease	2	(4)	-	6
Others	14	6	-	8
Total (A)	731	(4)	1	734
Deferred Tax Liabilities (B)	-	-	-	-
Deferred Tax Assets (Net) (A)-(B)	731	(4)	1	734

	As at March 31, 2022	As at March 31, 2021
11 OTHER ASSETS		
(Refer note 2.23)		
Unsecured considered good unless otherwise stated		
Non-current		
Prepaid Expenses	-	1
Advances recoverable in kind		
- Income tax	1,775	1,775
- Service tax [Refer note 36]	177	177
Balances with Government Authorities (Service tax & GST)		
- Considered good	162	205
- Considered doubtful	351	352
(Less): Provision for doubtful advances	(351)	(352)
Security deposits	-	67
	2,114	2,225
Current		
Balances with Government Authorities (GST)	43	24
Prepaid Expenses	58	71
Other Loans and advances		
- Considered good	1	1
- Considered doubtful	-	14
(Less): Provision for doubtful advances	-	(14)
	102	96
12 TRADE RECEIVABLES		
(Refer note 2.13, 32 and 33)		
(Unsecured)		
Considered good	508	496
Credit impaired	1,100	1,260
Less: Allowance for credit impairment	(1,100)	(1,260)
	508	496

Note:

The credit period ranges from 0 to 30 days. No interest is charged on trade receivables up to the due date. Cumulative balance of customers with more than 5% of total trade receivables amounts to Rs. 354 (2021: Rs. 414)

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Trade receivables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-Considered Good	409	96	3	-	-	-	508
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	1,100	1,100
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	409	96	3	-	-	1,100	1,608
Less: Allowance for credit impairment							(1,100)
Total Trade Receivable							508

Trade receivables ageing schedule for the year ended as on March 31, 2021

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-Considered Good	394	80	20	2	-	-	496
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	1	-	-	54	1,205	1,260
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	394	81	20	2	54	1,205	1,756
Less: Allowance for credit impairment							(1,260)
Total Trade Receivable							496

	As at March 31, 2022	As at March 31, 2021
13 CASH AND CASH EQUIVALENTS		
(Refer note 2.17)		
Balances with banks		
In current accounts	308	203
In demand deposit accounts (less than 3 months maturity)	19,897	18,244
Cash on hand	-	-
Cash and cash equivalent as per statement of cash flow	<u>20,205</u>	<u>18,447</u>
14 OTHER BANK BALANCES		
Long Term Deposit with maturity more than 3 months but less than 12 months	<u>17</u>	<u>16</u>
	<u>17</u>	<u>16</u>
Fixed Deposits with Banks include:		
Rs. 7 (2021: Rs. 16) which are under lien		

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
15 EQUITY SHARE CAPITAL		
Authorised capital:		
125,000,000 (2021: 125,000,000) Equity shares of Rs.10 each	12,500	12,500
Issued, subscribed and paid up capital:		
111,403,716 (2021: 111,403,716) Equity shares of Rs.10 each fully paid up	11,140	11,140
	<u>11,140</u>	<u>11,140</u>

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year are as given below:

Equity Shares	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	111,403,716	11,140	111,403,716	11,140
Add / (Less): Movement during the year	-	-	-	-
Shares outstanding at the end of the year	111,403,716	11,140	111,403,716	11,140

b) Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shares held by the holding company and its subsidiaries:

Name of Shareholder	As at March 31, 2022	As at March 31, 2021
	Number of Shares	Number of Shares
Xchanging (Mauritius) Limited, the immediate holding company	58,002,787	58,002,787
Xchanging Technology Services India Private Limited, subsidiary of Immediate Holding Company	21,348,838	21,348,838
	79,351,625	79,351,625

d) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares held	Percentage	Number of Shares held	Percentage
Xchanging (Mauritius) Limited	58,002,787	52.07	58,002,787	52.07
Xchanging Technology Services India Private Limited	21,348,838	19.16	21,348,838	19.16

e) Details of Shares held by promoters at the end of the year

Promoter name	As at March 31, 2022		
	Number of Shares held	% of total shares	% change during the year
Xchanging (Mauritius) Limited	58,002,787	52.07	-
Xchanging Technology Services India Private Limited	21,348,838	19.16	-
DXC Technology India Private Limited	4,201,162	3.77	-
Total	83,552,787	75.00	-

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Promoter name	As at March 31, 2021		
	Number of Shares held	% of total shares	% change during the year
Xchanging (Mauritius) Limited	58,002,787	52.07	-
Xchanging Technology Services India Private Limited	21,348,838	19.16	-
DXC Technology India Private Limited	4,201,162	3.77	-
Total	83,552,787	75.00	-

	As at March 31, 2022	As at March 31, 2021
16 OTHER EQUITY		
Capital reserve	57	57
Security premium	8,417	8,417
Retained earnings	7,119	4,920
	<u>15,593</u>	<u>13,394</u>
16.1 Capital reserve		
Balance at the beginning of the year	57	57
Add / (Less): Movement during the year	-	-
Balance at the end of the year	<u>57</u>	<u>57</u>
Capital reserve represents waiver of liability by Scandent Holding Mauritius Limited, erstwhile ultimate holding company.		
16.2 Security premium		
Balance at the beginning of the year	8,417	8,417
Add / (Less): Movement during the year	-	-
Balance at the end of the year	<u>8,417</u>	<u>8,417</u>
Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.		
16.3 Retained earnings		
Balance at the beginning of the year	4,920	3,097
Profit for the year	2,219	1,821
Other comprehensive income arising from remeasurement of defined benefit obligation net of tax	(20)	2
Balance at the end of the year	<u>7,119</u>	<u>4,920</u>
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.		
17 PROVISIONS		
(Refer note 2.6)		
Non-current		
Provision for employee benefits :		
Provision for compensated absences	111	118
Provision for gratuity [Refer note 31]	292	271
	<u>403</u>	<u>389</u>
Current		
Provision for employee benefits :		
Provision for compensated absences	43	40
Provision for gratuity [Refer note 31]	94	69
	<u>137</u>	<u>109</u>

Note: The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
18 TRADE PAYABLES		
(Refer note 2.14)		
Total outstanding dues of micro enterprises and small enterprises (Refer Note (ii))	-	1
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to:		
Subsidiaries [Refer note 33]	85	85
Related parties [Refer note 33]	68	85
Others:		
Goods & services	153	223
Employee related payables	164	139
	470	532
	470	533

Notes:

- (i) The credit period ranges from 0 to 90 days. No interest is charged on trade payables up to the due date. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.
- (ii) On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:
- | | | |
|--|---|---|
| (a) Principal amount remaining unpaid | - | 1 |
| (b) Interest due thereon remaining unpaid | - | - |
| (c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period | - | - |
| (d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | - | - |
| (e) Interest accrued and remaining unpaid | - | - |
| (f) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | - | - |

Trade payables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	73	303	7	-	2	85	470
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	73	303	7	-	2	85	470

Trade payables ageing schedule for the year ended as on March 31, 2021

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	1	-	-	-	1
(ii) Others	67	234	144	-	2	85	532
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	67	234	145	-	2	85	533

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at	As at
	March 31, 2022	March 31, 2021
19 OTHER FINANCIAL LIABILITIES		
(Refer note 2.5 and 2.14)		
Other financial liabilities	8	20
	<u>8</u>	<u>20</u>
20 CURRENT TAX ASSETS AND LIABILITIES		
(Refer note 2.7 and 3.1.(ii))		
Current tax assets		
Tax refund receivable	5,022	4,477
	<u>5,022</u>	<u>4,477</u>
Current tax liabilities		
Income tax payable	7,731	7,745
	<u>7,731</u>	<u>7,745</u>
	<u>2,709</u>	<u>3,268</u>
21 OTHER CURRENT LIABILITIES		
(Refer note 2.2 and 2.5)		
Income received in advance (Unearned revenue)	54	56
Statutory remittances (Contributions to PF, Withholding Taxes etc.)	41	40
Advances from customers	-	1
	<u>95</u>	<u>97</u>
	<u>95</u>	<u>97</u>
	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
22 REVENUE FROM OPERATIONS		
(Refer note 2.2, 29 and 33)		
Software services	4,385	4,097
	<u>4,385</u>	<u>4,097</u>

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2022 by contract type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

Revenues by contract type	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
T&M and AMC	4,307	3,917
Fixed Price	78	180
Total	<u>4,385</u>	<u>4,097</u>

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
23 OTHER INCOME		
(Refer note 2.3 and 2.5)		
a) <u>Interest Income</u>		
Interest income earned on financial assets that are not designated as at fair value through profit or loss (at amortised cost):		
Interest income		
Bank deposits	498	518
Income tax refunds	-	535
Loans to fellow subsidiaries [Refer note 33]	194	194
	<u>692</u>	<u>1,247</u>
b) <u>Other non-operating income (net of expenses directly attributable to such income)</u>		
Other provisions no longer required written back	97	102
Liabilities no longer required written back [Refer note 39]	11	4
Lease rental income	4	13
Service tax refund	-	66
Others (aggregate of immaterial items)	17	19
	<u>129</u>	<u>204</u>
c) <u>Other gains and losses</u>		
Foreign exchange gain (net)	12	-
	<u>12</u>	<u>-</u>
(a+b+c)	<u>833</u>	<u>1,451</u>
24 EMPLOYEE BENEFITS EXPENSE		
(Refer note 2.6 and 31)		
Salaries and wages including bonus	1,872	1,958
Contribution to provident and other funds [Refer note 31]	95	131
Gratuity expenses [Refer note 31]	52	52
Staff welfare expenses	18	23
	<u>2,037</u>	<u>2,164</u>
25 FINANCE COSTS		
(Refer note 2.4)		
Interest expenses on lease liabilities	16	25
	<u>16</u>	<u>25</u>
26 DEPRECIATION AND AMORTISATION EXPENSE		
(Refer note 2.4, 2.8, 2.9 and 2.16)		
Depreciation of property, plant and equipment [Refer note 4]	28	17
Depreciation of right of use of assets [Refer note 5]	60	69
Amortisation of intangible assets [Refer note 6]	1	1
	<u>89</u>	<u>87</u>

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
27 OTHER EXPENSES		
(Refer note 2.4, 2.5, 2.11, 2.16 and 2.22)		
Project work expenses	320	358
Power and fuel	24	26
Repairs and maintenance:		
Computer equipments	38	68
Others	46	80
Insurance	30	29
Rates and taxes	10	24
Communication	41	65
Travelling and conveyance	3	3
Business promotion	3	4
Training and development	1	-
Expenditure towards Corporate Social Responsibility (CSR) activities [Refer note 37]	49	42
Legal and professional	51	56
Payments to auditors [Refer Note (i) below]	110	110
Foreign exchange loss (net)	-	20
Provision for doubtful advances	1	107
Directors' sitting fees	39	38
Miscellaneous expenses	29	22
	795	1,052
Note:		
(i) Payments to the auditors comprise (net of taxes, where applicable):		
Statutory audit	58	58
Limited review of quarterly financial results	44	44
Tax audit	6	6
Certifications	2	2
Total	110	110
28 INCOME TAXES		
(Refer note 2.7 and 3.1.(ii))		
1. Income tax recognised in profit or loss		
Current tax		
In respect of current year	728	775
In respect of tax adjustments related to earlier years	(742)	(372)
Deferred tax		
In respect of current year	76	(4)
Total income tax expense /(gain) recognised in the current year	62	399

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
2. The income tax expense for the year can be reconciled to the accounting profit/ (loss) as follows:		
Profit before tax	2,281	2,220
Income tax expense calculated at 25.168% (2021: 25.168%)	574	559
Adjustments in respect of current income tax of previous years	(742)	(372)
Effect of notional income recognised for taxation	196	196
Effect of inadmissible expenses	19	11
Others	15	5
Income tax expense recognised in Profit and Loss	62	399

The income tax rate used for the above reconciliations is current tax 25.168% (2021: 25.168%) and deferred tax 25.168% (2021: 25.168%), these are the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

3. Income tax recognised in other comprehensive income:

Income tax

Arising on income and expenses recognised in other comprehensive income:

Remeasurement of defined benefit obligation	7	(1)
Total	7	(1)

Bifurcation of the income tax recognised in other comprehensive income into:-

Items that will not be reclassified to profit or loss	7	(1)
Items that may be reclassified to profit or loss	-	-

29 SEGMENT INFORMATION

(Refer note 2.20)

The entire operation of the Company relate only to single operating segment "Software Services". Thus there are no reportable segments which require disclosures under Ind AS 108 "Operating Segments".

Additional information relating to geographical dispersion is as follows:

	Revenue by location of customers	
	March 31, 2022	March 31, 2021
Europe	337	931
USA	2,587	1,993
India	1,153	1,132
Rest of the World	308	41
	4,385	4,097

Balance of customers with more than 10% of total revenue amounts to Rs. 3,187 (2021: Rs. 2,576)

	Carrying amount of segment assets by location of the assets		Addition to Fixed Assets/Right of use assets	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Europe	115	81	-	-
USA	1,350	6,460	-	-
India	23,406	21,768	205	38
Rest of the World	5,191	172	-	-
	30,062	28,481	205	38

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
30 EARNINGS PER SHARE		
(Refer note 2.21)		
Basic earnings per share		
Profit for the year after tax	2,219	1,821
Nominal value per share (Rs.)	10	10
Weighted average number of equity shares considered for calculating basic earnings per share – (A)	111,403,716	111,403,716
Earnings per share – Basic (Rs.)	1.99	1.63
Diluted earnings per share		
Weighted average number of equity shares considered for calculating diluted earnings per share – (B)	111,403,716	111,403,716
Earnings per share – Diluted (Rs.)	1.99	1.63

31 Employee Benefits Expense

(Refer note 2.6)

(a) Defined Contribution Plans

Provident Fund and Other Funds: During the year, the Company has recognised Rs. 95 (2021: Rs. 131) in the Statement of Profit and Loss relating to provident fund and other funds, which is included in the 'Contribution to provident and other funds'.

(b) Defined Benefit Plan

Gratuity (unfunded): The Company provides for gratuity, a defined benefit plan (the "gratuity plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Company.

The Company is exposed to various risks in providing the above gratuity benefit such as: interest rate risk, longevity risk and salary risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following tables summarise the components of expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the gratuity plan:

	As at	As at
	March 31, 2022	March 31, 2021
(i) Movement in Present Value of the Defined benefit obligation		
Balance at the beginning of the year	340	311
Current Service Cost	36	35
Interest Cost	16	17
Actuarial (Gains) / Losses- Demographic	-	-
Actuarial (Gains) / Losses- Financial	(6)	(5)
Actuarial (Gains) / Losses- Experience	33	2
Benefits paid	(33)	(20)
Present Value of Defined benefit obligation at the end of the year	386	340

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
(ii) Assets and Liabilities recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation	386	340
Amounts recognised as liability	386	340
Recognised under:		
Non-current provisions [Refer note 17]	292	271
Current provisions [Refer note 17]	94	69
	386	340
	For the year ended March 31, 2022	For the year ended March 31, 2021
(iii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.		
Current Service Cost	36	35
Interest Cost	16	17
Components of defined benefit costs recognised in profit or loss	52	52
Remeasurement on the net defined benefit liability:		
Actuarial (Gain) / Loss due to Demographic Assumption changes	-	-
Actuarial (Gain) / Loss due to Financial Assumption changes	(6)	(5)
Actuarial (Gain) / Loss due to Experience	33	2
Components of defined benefit costs recognised in other comprehensive income	27	(3)
Total	79	49
	As at March 31, 2022	As at March 31, 2021
(iv) Actuarial Assumptions		
Discount Rate	5.95%	5.55%
Attrition Rate	20%	20%
Increase in Compensation Cost	5.50%	5.50%
Retirement Age	60 years	60 years
(v) Expected Future Cashflows		
Particulars	March 31, 2022	March 31, 2021
Year 1	94	69
Year 2	72	69
Year 3	54	52
Year 4	49	40
Year 5	47	36
Years 6 to 10	118	106

Notes:

- (i) The estimates of future salary increases, considered in the actuarial valuation, takes into on account, inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.
- (ii) The discount rate is based on the prevailing market yields of Indian government securities as at the Balance Sheet date for the estimated term of the obligation.

(All amounts in Rs. Lakhs, unless otherwise stated)

(vi) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The following table summarizes the impact on defined benefit obligation arising due to increase / decrease in key actuarial assumptions by 50 basis points:

As at March 31, 2022

Defined Benefit Obligation	Discount rate	Rate of Increase in Compensation Cost
Impact of decrease	8	(7)
Impact of increase	(7)	8

As at March 31, 2021

Defined Benefit Obligation	Discount rate	Rate of Increase in Compensation Cost
Impact of decrease	6	(7)
Impact of increase	(7)	6

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

32 FINANCIAL INSTRUMENTS**32.1 Capital management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company is fully funded by equity.

32.2 Categories of financial instruments

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Financial assets		
<u>Measured at amortised cost</u>		
(a) Cash and bank balances	20,205	18,447
(b) Bank balances other than above	17	16
(c) Trade receivables	508	496
(d) Other financial assets at amortised cost	1,715	1,839
<u>Measured at cost</u>		
Investments	5,186	5,186
Financial liabilities		
<u>Measured at amortised cost</u>		
Lease liabilities	172	265
Other financial liability at amortised cost	478	553

32.3 Financial risk management

The Company is exposed to foreign currency risk, liquidity risk, credit risk and interest risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

(All amounts in Rs. Lakhs, unless otherwise stated)

32.4 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 32.5).

32.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Liabilities as at		Assets as at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
GBP	8	22	7	-
USD	-	25	1,248	1,253
Others*	-	15	-	13
Total	8	62	1,255	1,266

* Others include currencies such as CRC, EUR and AUD.

32.5.1 Foreign currency sensitivity analysis

The Company is mainly exposed to the USD and GBP.

The following table details the Company's sensitivity to a 10% increase and decrease in the Rs. against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Rs. strengthens 10% against the relevant currency. For a 10% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
GBP sensitivity				
Increase by 10%	-	(2)	-	(2)
Decrease by 10%	-	2	-	2
USD sensitivity				
Increase by 10%	125	123	125	123
Decrease by 10%	(125)	(123)	(125)	(123)
Others sensitivity*				
Increase by 10%	-	-	-	-
Decrease by 10%	-	-	-	-

* Others include currencies such as CRC, EUR and AUD.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year. This is mainly attributable to the exposure outstanding on USD receivable and payable in the Company at end of the reporting period.

32.6 Interest rate risk management

The Company is exposed to interest rate risk because the Company lend/ borrow funds at fixed interest rates. There is no exposure to market rate fluctuations.

The Companies exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(All amounts in Rs. Lakhs, unless otherwise stated)

32.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables.

The Company does not have significant credit risk exposure to any single counterparty.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Provision for expected credit losses

The Company provides for expected credit loss based on the following:

Category	Description of category	Basis for recognition of expected credit loss provision		
		Loans at amortised cost	Other financial assets at amortised cost	Trade receivables
High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12-month expected credit losses	12-month expected credit losses	Life-time expected credit losses (simplified approach)
Standard assets, moderate credit risk	Assets where the probability of default is considered moderate, however counter-party has sufficient capacity to meet the obligations			
Low quality assets, very high credit risk	Assets where there is a high probability of default and is considered as high risk	Life-time expected credit losses	Life-time expected credit losses	
Doubtful assets, credit-impaired	Assets are written off when there is no reasonable expectation of recovery	Asset is written off		

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2022							
(a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,618	0%	-	1,618
		High quality assets, negligible credit risk	Other financial assets at amortised cost	20	0%	-	20
		Standard assets, moderate credit risk	Other financial assets at amortised cost	86	10%	9	77
Loss allowance measured at life-time expected credit losses	Financial assets where there is a high probability of default	Low quality assets, very high credit risk	Loans at amortised cost	17,283	100%	17,283	-
(b) For expected credit loss for trade receivables under simplified approach refer note 12							

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2021							
(a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,618	0%	-	1,618
		High quality assets, negligible credit risk	Other financial assets at amortised cost	168	0%	-	168
		Low quality assets, very high credit risk	Other financial assets at amortised cost	183	71%	130	53
Loss allowance measured at life-time expected credit losses	Financial assets where there is a high probability of default	Low quality assets, very high credit risk	Loans at amortised cost	17,283	100%	17,283	-
(b) For expected credit loss for trade receivables under simplified approach refer note 12							

32.8 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

32.8.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	Average effective interest rate(%)	Less than 1 year	1-2 years	2 years & above	Total carrying value
March 31, 2022					
Non-interest bearing	-	478	-	-	478
Lease liabilities	6.53%- 6.62%	48	96	52	196
		526	96	52	674
March 31, 2021					
Non-interest bearing	-	553	-	-	553
Lease liabilities	7.78%	99	192	-	291
		652	192	-	844

32.9 Fair value measurements

Fair value hierarchy

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(All amounts in Rs. Lakhs, unless otherwise stated)

There are no financial assets and liabilities measured at fair value as at March 31, 2022 and March 31, 2021

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2022 and March 31, 2021

Valuation Methodologies

Investments in mutual funds: The Company's investments consist primarily of investment in debt linked mutual funds. Fair values of investment securities classified as fair value through profit and loss are determined using the closing NAV and are classified as Level 1.

Fair value of financial assets and financial liabilities that are not measured at fair value

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

33 RELATED PARTY DISCLOSURES

A. Names of related parties and nature of relationship:

1) Parties where control exists:

Nature of relationship

Names of related parties

(i) Holding companies:

Ultimate Holding Company

DXC Technology Company

Intermediate holding companies

Computer Sciences Corporation, USA ('CSC, USA')

DXC US International Inc.

Lux 1 Holding Company, Inc.

DXC Luxembourg International S.a.r.l.

DXC Lux 5 S.a.r.l.

DXC Luxembourg Holding S.a.r.l.

DXC Lux 6 S.a.r.l.

DXC UK International Holdings Limited

DXC UK International Services Limited

DXC UK International Limited

DXC UK International Operations Limited

Xchanging Holdings Limited

Xchanging B.V.

Immediate holding company

Xchanging (Mauritius) Limited, Mauritius ('XML, Mauritius')

(ii) Subsidiary companies

Xchanging Solutions (Europe) Limited, UK ('XSEL, UK') [Upto August 13, 2021]

Xchanging Solutions (Singapore) Pte Limited, Singapore ('XSSPL, Singapore')

Xchanging Solutions (USA) Inc, USA ('XSUI, USA')

Xchanging Solutions (Malaysia) Sdn Bhd, Malaysia ('XSMSB, Malaysia') (Wholly owned subsidiary of Xchanging Solutions (Singapore) Pte Limited) [Upto December 3, 2020]

Nexplicit Infotech India Private Limited, India ('NIPL, India') (Wholly owned subsidiary of Xchanging Solutions (USA) Inc)

(iii) Key Managerial Personnel (KMP)

Whole time Director &
Chief Financial Officer

Shrenik Kumar Champalal

Managing Director &
Chief Executive Officer

Chandrasekhara Boddaju Rao (till August 8, 2021)

Managing Director &
Chief Executive Officer

Nachiket Vibhakar Sukhtankar (from August 13, 2021)

Company Secretary

Aruna Mohandoss (till October 11, 2021)

Company Secretary

Mayank Jain (from November 11, 2021)

(All amounts in Rs. Lakhs, unless otherwise stated)

2) Other Related Parties with whom transactions have taken place during the year:

Fellow subsidiaries

Xchanging Builders (India) Private Limited, India ('XBPL, India')

Xchanging Global Insurance Solutions Ltd., UK ('XGISL, UK')

Xchanging Technology Services India Private Limited, India ('XTSIPL, India')

Xchanging UK Limited, UK ('XUKL, UK')

DXC Technology India Private Limited, India ('DXC, India')

EIT Services India Private Limited, India ('EIT, India')

CSC Consulting Inc., USA ('CSC Consulting, USA')

DXC Technology Services LLC, USA (previously known as Enterprise Services LLC) ('DXC, USA')

CSC CORP-Americas Outsourcing, USA (previously known as MSS-Americas Outsourcing) ('Americas Outsourcing, USA')

EntServ Deutschland GmbH, Germany ('EntServ, Germany')

Enterprise Services Nederland B.V., Nederland ('Enterprise Services, Nederland')

Enterprise Services Sverige AB, Sweden ('Enterprise Services, Sweden')

DXC Technology Switzerland GmbH, Switzerland (previously known as CSC Switzerland GmbH) ('DXC, Switzerland')

CSC Computer Sciences Limited, UK ('CSC Computer, UK')

EntServ UK Limited, UK ('EntServ, UK')

UXC ECLIPSE USA LLC, USA ('UXC ECLIPSE, USA')

Enterprise Services Costa Rica Limitada, Costa Rica ('Enterprise Services, Costa Rica') (effective from current financial year)

DXC Integrated Services Victoria Pty Ltd, Australia ('DXC Integrated Services, Australia') (effective from current financial year)

DXC Australia Pty Ltd, Australia ('DXC, Australia') (effective from current financial year)

DXC Enterprise Australia Pty Ltd, Australia ('DXC Enterprise, Australia') (effective from current financial year)

ESIT Canada Enterprise Services, Canada ('ESIT, Canada') (effective from current financial year)

CHEU EntServ Schweiz(EnQ4), Switzerland ('CHEU EntServ, Switzerland') (effective from current financial year)

EntServ Schweiz GmbH, Switzerland ('EntServ, Switzerland') (effective from current financial year)

Fondsdepot Bank GmbH, Germany ('Fondsdepot, Germany') (effective from current financial year)

Enterprise Services Italia Srl, Italy ('Enterprise Services, Italy') (effective from current financial year)

DXC Enterprise Services New Zealand, New Zealand (previously known as Enterprise Services New Zealand ('DXC Enterprise Services, New Zealand') (effective from current financial year)

DXC Technology Singapore Pte. Ltd, Singapore (previously known as CSC Technology Singapore Pte. Ltd) ('DXC, Singapore') (effective from current financial year)

XCH Systems and Svcs Inc, USA ('XCH Systems, USA') (effective from current financial year)

CSC Covansys Corporation, USA ('CSC Covansys, USA') (effective from current financial year)

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

B. Summary of transactions with related parties is as follows:	Holding companies		Subsidiary companies		Fellow subsidiaries		Total	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021

Expenses paid on behalf of the Company:

XUKL, UK	-	-	-	-	9	21	9	21
XTSIPL, India	-	-	-	-	167	176	167	176
DXC, India	-	-	-	-	106	153	106	153
XGISL, UK	-	-	-	-	-	4	-	4
Enterprise Services, Costa Rica	-	-	-	-	1	-	1	-
EIT, India	-	-	-	-	124	100	124	100
Total	-	-	-	-	407	454	407	454

Expenses paid on behalf of the related party:

XTSIPL, India	-	-	-	-	51	79	51	79
NIPL, India	-	-	-	1	-	-	-	1
Total	-	-	-	1	51	79	51	80

Interest income on loans:

XTSIPL, India	-	-	-	-	108	108	108	108
XBPL, India	-	-	-	-	86	86	86	86
Total	-	-	-	-	194	194	194	194

Revenue:

XSUI, USA	-	-	2,024	1,526	-	-	2,024	1,526
XTSIPL, India	-	-	-	-	106	79	106	79
DXC, India	-	-	-	-	650	595	650	595
EIT, India	-	-	-	-	31	18	31	18
CSC Consulting, USA	-	-	-	-	18	-	18	-
DXC, USA	-	-	-	-	513	308	513	308
Americas Outsourcing, USA	-	-	-	-	6	-	6	-
EntServ, Germany	-	-	-	-	32	41	32	41
Enterprise Services, Nederland	-	-	-	-	38	6	38	6
Enterprise Services, Sweden	-	-	-	-	20	5	20	5
XSSPL, Singapore	-	-	83	25	-	-	83	25
DXC, Switzerland	-	-	-	-	191	365	191	365
XGISL, UK	-	-	-	-	-	40	-	40
CSC Computer, UK	-	-	-	-	101	6	101	6
EntServ, UK	-	-	-	-	24	3	24	3
CSC, USA	1	-	-	-	-	-	1	-
XUKL, UK	-	-	-	-	20	-	20	-
DXC Integrated Services, Australia	-	-	-	-	4	-	4	-
DXC, Australia	-	-	-	-	13	-	13	-
DXC Enterprise, Australia	-	-	-	-	23	-	23	-

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

ESIT, Canada	-	-	-	-	3	-	3	-
CHEU EntServ, Switzerland	-	-	-	-	6	-	6	-
EntServ, Switzerland	-	-	-	-	1	-	1	-
Fondsdepot, Germany	-	-	-	-	76	-	76	-
Enterprise Services, Italy	-	-	-	-	3	-	3	-
DXC Enterprise Services, New Zealand	-	-	-	-	4	-	4	-
DXC, Singapore	-	-	-	-	1	-	1	-
XCH Systems, USA	-	-	-	-	18	-	18	-
CSC Covansys, USA	-	-	-	-	6	-	6	-
UXC ECLIPSE, USA	-	-	-	-	-	2	-	2
Total	1	-	2,107	1,551	1,908	1,468	4,016	3,019

Other Income:

XTSIPL, India	-	-	-	-	4	13	4	13
XSEL, UK	-	-	-	4	-	-	-	4
Total	-	-	-	4	4	13	4	17

Purchase of Assets:

EIT, India	-	-	-	-	-	1	-	1
Total	-	-	-	-	-	1	-	1

Note:

(i) Amount below the rounding off norm adopted by the Company i.e. Rs. 1 Lakh are not considered above

C. Summary of balances of related parties is as follows:	Holding companies		Subsidiary companies		Fellow subsidiaries		Total	
	As at	As at	As at	As at	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
XSUI, USA	-	-	181	177	-	-	181	177
DXC, India	-	-	-	-	50	93	50	93
EIT, India	-	-	-	-	4	5	4	5
CSC Consulting, USA	-	-	-	-	2	-	2	-
DXC, USA	-	-	-	-	55	42	55	42
XTSIPL, India	-	-	-	-	19	38	19	38
Enterprise Services, Nederland	-	-	-	-	3	6	3	6
Enterprise Services, Sweden	-	-	-	-	2	5	2	5
XSSPL, Singapore	-	-	8	8	-	-	8	8
DXC, Switzerland	-	-	-	-	18	63	18	63
CSC Computer, UK	-	-	-	-	11	6	11	6
EntServ, Germany	-	-	-	-	7	-	7	-
XUKL, UK	-	-	-	-	2	-	2	-
Americas Outsourcing, USA	-	-	-	-	1	-	1	-
DXC Integrated Services, Australia	-	-	-	-	1	-	1	-
DXC, Australia	-	-	-	-	1	-	1	-
DXC Enterprise, Australia	-	-	-	-	2	-	2	-

Trade Receivables:

XSUI, USA	-	-	181	177	-	-	181	177
DXC, India	-	-	-	-	50	93	50	93
EIT, India	-	-	-	-	4	5	4	5
CSC Consulting, USA	-	-	-	-	2	-	2	-
DXC, USA	-	-	-	-	55	42	55	42
XTSIPL, India	-	-	-	-	19	38	19	38
Enterprise Services, Nederland	-	-	-	-	3	6	3	6
Enterprise Services, Sweden	-	-	-	-	2	5	2	5
XSSPL, Singapore	-	-	8	8	-	-	8	8
DXC, Switzerland	-	-	-	-	18	63	18	63
CSC Computer, UK	-	-	-	-	11	6	11	6
EntServ, Germany	-	-	-	-	7	-	7	-
XUKL, UK	-	-	-	-	2	-	2	-
Americas Outsourcing, USA	-	-	-	-	1	-	1	-
DXC Integrated Services, Australia	-	-	-	-	1	-	1	-
DXC, Australia	-	-	-	-	1	-	1	-
DXC Enterprise, Australia	-	-	-	-	2	-	2	-

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

CHEU EntServ, Switzerland	-	-	-	-	1	-	1	-
Fondsdepot, Germany	-	-	-	-	76	-	76	-
Enterprise Services, Italy	-	-	-	-	1	-	1	-
XCH Systems, USA	-	-	-	-	1	-	1	-
CSC Covansys, USA	-	-	-	-	3	-	3	-
EntServ, UK	-	-	-	-	2	1	2	1
Total	-	-	189	185	262	259	451	444

Trade Payables:

NI IPL, India	-	-	85	85	-	-	85	85
XUKL, UK	-	-	-	-	8	19	8	19
XGISL, UK	-	-	-	-	-	5	-	5
XTSIPL, India	-	-	-	-	36	30	36	30
DXC, India	-	-	-	-	11	20	11	20
EIT, India	-	-	-	-	13	11	13	11
Total	-	-	85	85	68	85	153	170

Expenses Recoverable:

NI IPL, India	-	-	5	5	-	-	5	5
Total	-	-	5	5	-	-	5	5

Lease receivable:

XTSIPL, India	-	-	-	-	-	147	-	147
Total	-	-	-	-	-	147	-	147

Loans and Advances (including interest accrued):

XTSIPL, India	-	-	-	-	908	908	908	908
XSUI, USA	-	-	17,283	17,283	-	-	17,283	17,283
XBPL, India	-	-	-	-	725	725	725	725
Total	-	-	17,283	17,283	1,633	1,633	18,916	18,916

Provision for doubtful advances:

XSUI, USA	-	-	(17,283)	(17,283)	-	-	(17,283)	(17,283)
Total	-	-	(17,283)	(17,283)	-	-	(17,283)	(17,283)

Note:

(i) Amount below the rounding off norm adopted by the Company i.e. Rs. 1 Lakh are not considered above

D. Remuneration paid to the key managerial personnel

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries, bonus, etc.	73	67
Total	73	67

Note:

(i) As gratuity and compensated absences provision are computed for all the employees in aggregate, the amounts relating to key managerial personnel cannot be individually identified.

34 LEASES

(Refer note 2.4)

The Company has operating lease arrangements for its office premises. The lease arrangements for premises have been entered up to a maximum of five years from the respective dates of inception. Some of these lease arrangements have price escalation clauses.

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

A. Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities as at March 31, 2022

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Current lease liabilities	38	85
Non-current lease liabilities	134	180
Total	172	265

B. Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2022

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Balance as at the beginning of the year	265	184
Additions	198	190
Deletions	(200)	-
Finance costs accrued during the period	16	25
Payment of Lease liabilities	(107)	(134)
Balance as at the end of the year	172	265

C. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Less than one year	48	99
One to five years	148	192
More than five years	-	-
Total	196	291

D. Amounts recognized in profit or loss:

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Interest on lease liabilities	16	25
Expenses relating to short- term leases	-	-
Depreciation of right of use of assets	60	69

E. Amounts recognized in statement of cash flows

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Total cash outflows for leases	107	134

35 CAPITAL AND OTHER COMMITMENTS

	As at	As at
	March 31, 2022	March 31, 2021
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed (net of advances)	-	-

(All amounts in Rs. Lakhs, unless otherwise stated)

(b) Other Commitments

- (i) As at March 31, 2022, Xchanging Solutions (USA) Inc, USA, Company's wholly owned subsidiary, has negative net assets amounting to Rs. 12,215 (2021: Rs. 13,809). While the subsidiary is confident of generating funds from their operations, the Company intends to support the shortfall, if any.

36 CONTINGENT LIABILITIES

(Refer note 2.11)

	As at March 31, 2022	As at March 31, 2021
(i) Claims against the Company not acknowledged as debts:		
Income tax matters [Note (a)]	2,763	2,582
Service tax matters [Note (b)]	4,718	4,718
	7,481	7,300

Notes:

- (a) Represents various income tax demands under appeal.
- (b) The Company had received a Show Cause Notice ("SCN") from the Commissioner of Service Tax, Bangalore in October 2012 proposing a demand of service tax of Rs. 23.59 crs. on import of certain services made by company during the FYs 2007-08 to 2011-12. In March 2013, a suitable reply to above SCN was filed by company stating the legal grounds in defence of the matter. In November 2020, the adjudicating authority i.e. the Principal Commissioner of Service Tax, Noida passed the Order In Original ('OIO') confirming the demand of service tax proposed in the SCN along with penalty of Rs. 23.59 crs and applicable interest. The company has filed an appeal before CESTAT in Allahabad against above OIO in April, 2021 after paying a pre-deposit amount of Rs. 1.77 crs. Also refer note 11.
- (c) The above contingent liabilities are possible obligation or present obligation that may (but probably will not) require an outflow of resources.
- (d) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- (e) The Company does not expect any reimbursements in respect of the above contingent liabilities.

37 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Sec 135 of the Companies Act, 2013 applicable in the current year, gross amount required to be spent by the Company during the year is Rs. 49 (2021: Rs. 42) on various CSR initiatives. Amount spent during the year are mentioned below:

Sector in which the project is covered	NGO Name	For the year ended March 31, 2022	For the year ended March 31, 2021
Education of underprivileged children	Samiti for Education Environment Social & Health Action (SEESHA)	49	-
Promoting education, including special education	Samarthanam Trust for the Disabled	-	42
Total		49	42

- 38** The Company has strategic gross investment amounting to Rs. 11,224 (2021: Rs. 11,224) in Xchanging Solutions (USA) Inc, USA ("XSUI"), its wholly owned subsidiary. Based on assessment of value in use from continuing operations, the Company has made a provision of Rs. 6,045 (2021: Rs. 6,045) in prior years considering it to be "a decline other than temporary". The Company has tested the investments for impairment as at year end using cash flow projections based on financial forecast approved by the management covering a five-year period. The Company considers Xchanging Solutions (USA) Inc as a strategic long term investment and based on future growth projections, in the opinion of the management, the remaining value of the investments is not required to be impaired. Further, the Company has granted loans and advances aggregating to Rs. 17,283 (2021: Rs. 17,283) and the same was provided in prior years considering it to be doubtful of recovery. The company also has receivables (net of payables) from the subsidiary amounting to Rs. 181 (2021: Rs. 177), based on the evaluation of recoverability, the net receivables is considered good and recoverable.

- 39** The liquidation process of Xchanging Solutions (Europe) Limited, UK is complete (Wholly owned subsidiary of the Company) and its status on the Companies House is updated as dissolved on August 13, 2021.

(All amounts in Rs. Lakhs, unless otherwise stated)

40 TRANSFER PRICING

The Company has carried out international transactions with associated enterprises. The Company appoints independent consultants to conduct a Transfer Pricing Study to determine whether the transactions with associated enterprises undertaken during the period are on an “arms length basis”. For the current year, the transfer pricing study shall be completed within the permissible time under the legislation and adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed. However, the Management is confident that its international transactions with associated enterprises are at arm’s length so that the aforesaid legislation/transactions will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for the current year.

41 DISCLOSURE AS PER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Loans given to subsidiary/ fellow subsidiaries in which directors are interested:

Name of the party	Relationship	Amount outstanding as at March 31, 2022	Maximum balance outstanding during the year
Xchanging Technology Services India Private Limited	Fellow subsidiary	908 (908)	909 (917)
Xchanging Builders (India) Private Limited	Fellow subsidiary	725 (725)	725 (732)
Xchanging Solutions (USA) Inc	Subsidiary	17,283 (17,283)	17,283 (17,283)

Note: Figures in bracket relate to previous year
For Investment in subsidiaries refer note 7

42 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

43 APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company have been reviewed and recommended by the Audit Committee to the Board, and approved by the Board of Directors at its meeting held on May 23, 2022.

44 OTHER STATUTORY DISCLOSURES

44.1 As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.

44.2 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding, whether recorded in writing or otherwise, that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44.3 Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	March 31, 2022	March 31, 2021	Variance	Basis of determination
Current ratio	6.31	4.66	35%	Current Assets / Current Liabilities
Debt-equity ratio	0.01	0.01	-40%	Total borrowings Including lease liabilities / Shareholders’ equity
Debt service coverage ratio	12.69	8.04	58%	EBITDA / (Total Borrowings including lease liabilities + Interest expense)
Return on equity ratio	0.09	0.08	12%	Profit after tax / Average Shareholders’ equity
Inventory turnover ratio	NA	NA	-	Product Revenue / Inventory
Trade receivable turnover ratio	8.63	8.26	5%	Total Revenue / Trade Receivables
Trade payable turnover ratio	6.03	6.03	0%	Total expenses excluding depreciation and finance cost / Trade payables
Net capital turnover ratio	0.24	0.27	-12%	Total Revenue / (Current assets – current liabilities excluding borrowings & lease liability)

Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	March 31, 2022	March 31, 2021	Variance	Basis of determination
Net profit ratio	0.51	0.44	14%	Profit after tax / Total Revenue
Return on capital employed	0.08	0.09	-6%	Earnings before interest and tax / (Total assets - current liabilities excluding borrowings & lease liability)
Return on investment	0.09	0.09	-6%	Earnings before interest and tax / (Total Borrowings including lease liabilities + Shareholders' Equity)

Reason for variation beyond 25%

Current ratio	Mainly due to increase in cash and cash equivalents, reclassification of loan to fellow subsidiaries from non current to current and reduction in current liabilities
Debt-equity ratio	Mainly due to reduction in lease liability and increase in shareholders equity on account of increase in total Comprehensive Income for the period
Debt service coverage ratio	Mainly due to increase in profit for the period and reduction in lease liability

45 PREVIOUS YEAR FIGURES

The financial statements have been prepared in accordance with the amended Schedule III and accordingly previous year's numbers have been regrouped/reclasses (as necessary) and incremental disclosures have been made to compare with current year disclosures.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Gurvinder Singh

Partner

Membership No. 110128

Place: Bengaluru

Date: May 23, 2022

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar

Managing Director and
Chief Executive Officer

DIN: 08778377

Place: Mumbai

Date: May 23, 2022

Shrenik Kumar Champalal

Whole Time Director and
Chief Financial Officer

DIN: 08099410

Place: Bengaluru

Date: May 23, 2022

Mayank Jain

Company Secretary

Place: Delhi

Date: May 23, 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of Xchanging Solutions Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Xchanging Solutions Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 3.1 (ii) and Note 36 to the Standalone financial statements.</p>	<p>Principal Audit Procedures performed:</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls relating to:</p> <p>(1) identification, evaluation, recognition of provisions, and disclosure of material uncertain tax positions including matters under dispute by considering the assumptions and information used by management in performing this assessment;</p> <p>(2) completeness and accuracy of the underlying data/information used in the assessment.</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2022 from management. With the assistance of our internal experts, we challenged the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2021 to evaluate whether any change was required to management's position on these uncertainties.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and

Independent Auditor's Report

Corporate Governance Report including annexures thereon, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

- Obtain sufficient appropriate audit evidence regarding the financial information of the Subsidiaries withing the Group to express an opinion on the consolidated financial statements. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial information of two subsidiaries, whose financial information reflect total assets of Rs. 98 Lakhs as at March 31, 2022, total revenues of Rs. Nil and net cash inflows/ (outflows) amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the financial information of the subsidiaries referred to in the Other Matters section above we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent Company as on March, 31, 2022 taken on record by the Board of Directors of the Company, none of the directors of the Parent Company, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

Independent Auditor's Report

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company.
 - iv) (a) The Management of the Parent Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 43.2 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management of the Parent Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 43.2 to the consolidated financial statements, no funds have been received by the Parent Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us on the Parent Company whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO report issued by us for the Parent Company to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO report of the said company included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Gurvinder Singh
(Partner)

(Membership No. 110128)
(UDIN: 22110128AJXXD6851)

Place: Bangalore
Date: May 23, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Xchanging Solutions Limited (hereinafter referred as "the Parent") as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Independent Auditor's Report

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Parent has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Gurvinder Singh
(Partner)
(Membership No. 110128)
(UDIN: 22110128AJXXD6851)

Place: Bangalore
Date: May 23, 2022

CONSOLIDATED BALANCE SHEET

XCHANGING SOLUTIONS LIMITED

Consolidated Balance Sheet as at March 31, 2022

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	46	67
Right of use assets	5	167	107
Other intangible assets	6	2	3
Goodwill	7	15,841	15,841
Financial assets			
Loans	8	718	1,618
Other financial assets	9	-	101
Deferred tax assets (net)	10	187	438
Other non-current assets	11	2,114	2,225
Total non-current assets		19,075	20,400
Current assets			
Financial assets			
Trade receivables	12	1,478	933
Cash and cash equivalents	13	43,975	39,114
Bank balances other than above	14	41	105
Loans	8	900	-
Other financial assets	9	1,734	1,824
Other current assets	11	116	119
Total current assets		48,244	42,095
Total assets		67,319	62,495
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	11,140	11,140
Other equity	16	50,205	44,429
Total equity		61,345	55,569
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	34	134	180
Provisions	17	403	389
Total non-current liabilities		537	569

Consolidated Balance sheet

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	As at	As at
		March 31, 2022	March 31, 2021
Current liabilities			
Financial liabilities			
Lease liabilities	34	38	85
Trade payables			
- Dues of micro enterprises and small enterprises	18	-	1
- Dues of creditors other than micro enterprises and small enterprises	18	1,614	2,292
Other financial liabilities	19	8	20
Provisions	17	169	160
Current tax liabilities (net)	20	3,358	3,537
Other current liabilities	21	250	262
Total current liabilities		5,437	6,357
Total liabilities		5,974	6,926
Total equity and liabilities		67,319	62,495

See accompanying notes to the consolidated financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Gurvinder Singh
Partner
Membership No. 110128

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN: 08099410

Place: Bengaluru
Date: May 23, 2022

Place: Mumbai
Date: May 23, 2022

Place: Bengaluru
Date: May 23, 2022

Mayank Jain
Company Secretary

Place: Delhi
Date: May 23, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

XCHANGING SOLUTIONS LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	For the year ended	For the year ended
		March 31, 2022	March 31, 2021
Revenue from operations	22	17,427	19,574
Other income	23	857	1,593
Total Income		18,284	21,167
Expenses			
Employee benefits expense	24	6,209	7,361
Finance costs	25	16	26
Depreciation and amortisation expense	26	91	138
Other expenses	27	5,881	6,675
Total expenses		12,197	14,200
Profit before tax		6,087	6,967
Tax expense/ (benefit)			
Current tax	28	1,452	1,099
Current tax- for the earlier years	28	(698)	(372)
Deferred tax	28	76	(4)
Total tax expense		830	723
Profit for the period		5,257	6,244
Other comprehensive income/ (expense)			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		(27)	3
(ii) Income tax relating to items that will not be reclassified to profit or loss		7	(1)
(B) (i) Items that may be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		721	(384)
(ii) Income tax relating to items that may be reclassified to profit or loss		(182)	97
Total other comprehensive income/ (expense)		519	(285)
Total Comprehensive Income for the period		5,776	5,959
Earnings per Equity Share (of Rs.10 each)	30		
Basic- In Rs.		4.72	5.60
Diluted- In Rs.		4.72	5.60

See accompanying notes to the consolidated financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Gurvinder Singh
Partner
Membership No. 110128

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN: 08099410

Place: Bengaluru
Date: May 23, 2022

Place: Mumbai
Date: May 23, 2022

Place: Bengaluru
Date: May 23, 2022

Mayank Jain
Company Secretary
Place: Delhi
Date: May 23, 2022

XCHANGING SOLUTIONS LIMITED

Consolidated Statement of changes in equity for the year ended March 31, 2022

(All amounts in Rs. Lakhs, unless otherwise stated)

a EQUITY SHARE CAPITAL

Balance at April 1, 2020	11,140
Changes in equity share capital during the year	-
Balance at March 31, 2021	11,140
Changes in equity share capital during the year	-
Balance at March 31, 2022	11,140

b OTHER EQUITY

Particulars	Reserves & Surplus			Items of other comprehensive income	Total other equity
	Capital reserve	Security premium	Retained earnings*	Foreign currency translation reserve	
Balance as of April 1, 2020	361	8,417	28,563	1,129	38,470
Profit for the year	-	-	6,244	-	6,244
Other comprehensive income for the year, net of tax (remeasurement of defined benefit plans)	-	-	2	(287)	(285)
Balance as of March 31, 2021	361	8,417	34,809	842	44,429

Particulars	Reserves & Surplus			Items of other comprehensive income	Total other equity
	Capital reserve	Security premium	Retained earnings*	Foreign currency translation reserve	
Balance as of April 1, 2021	361	8,417	34,809	842	44,429
Profit for the year	-	-	5,257	-	5,257
Other comprehensive income for the year, net of tax (remeasurement of defined benefit plans)	-	-	(20)	539	519
Balance as of March 31, 2022	361	8,417	40,046	1,381	50,205

*Includes transfer of General Reserve in the YE 2011 to the extent of Rs. 5,612 created mainly on account of Debenture redemption reserve, revaluation of investments and adjustment on merger scheme in YE 2008/2009.

See accompanying notes to the consolidated financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Gurvinder Singh
Partner
Membership No. 110128

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN: 08099410

Place: Bengaluru
Date: May 23, 2022

Place: Mumbai
Date: May 23, 2022

Place: Bengaluru
Date: May 23, 2022

Mayank Jain
Company Secretary
Place: Delhi
Date: May 23, 2022

CONSOLIDATED CASH FLOW STATEMENT

XCHANGING SOLUTIONS LIMITED

Consolidated Statement of Cash Flows for the year ended March 31, 2022

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	6,087	6,967
Adjustments for:		
Depreciation and amortisation expense	31	24
Depreciation of right-of-use assets	60	114
Foreign exchange loss - unrealised	(138)	117
Interest income	(692)	(712)
Provision for doubtful advances	1	107
Liabilities no longer required written back	(11)	(1)
Other provisions no longer required written back	(97)	(102)
Interest expense	16	26
Gain on investment	-	(4)
Exchange difference on foreign currency translation	29	(126)
Operating profit before working capital changes	5,286	6,410
Adjustments for changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	(378)	1,029
Other current assets	53	29
Loans & other financial assets and other assets	162	138
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(730)	(891)
Other financial liabilities and other liabilities	75	40
Provisions	(4)	129
Cash generated from operations	4,464	6,884
Taxes paid (net of refunds)	(967)	(686)
Net cash generated from operating activities (A)	3,497	6,198
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9)	(56)
Deposits with banks with maturity period more than 3 months but less than 12 months	64	12
Gain on investment	-	4
Receipt of lease receivables	39	56
Interest received	693	755
Net cash generated from investing activities (B)	787	771

Consolidated Cash Flow Statement

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(107)	(182)
Net cash used in financing activities (C)	(107)	(182)
Net increase in cash and cash equivalents (A + B + C)	4,177	6,787
Cash and cash equivalents at the beginning of the year	39,114	32,588
Effect of exchange differences on balances with banks in foreign currency	684	(261)
Cash and cash equivalents at the end of the year	43,975	39,114
Cash on hand	-	-
Balances with banks:		
In current accounts	24,061	20,870
Funds in transit	17	-
Demand deposits (less than 3 months maturity)	19,897	18,244
Net cash and cash equivalents included in note 13	43,975	39,114
Cash and cash equivalents	43,975	39,114

Notes:

(1) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Gurvinder Singh
Partner
Membership No. 110128

Place: Bengaluru
Date: May 23, 2022

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

Place: Mumbai
Date: May 23, 2022

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN: 08099410

Place: Bengaluru
Date: May 23, 2022

Mayank Jain
Company Secretary

Place: Delhi
Date: May 23, 2022

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

XCHANGING SOLUTIONS LIMITED

Notes forming part of the consolidated financial statements

(All amounts in Rs. Lakhs, unless otherwise stated)

1. GENERAL INFORMATION

Xchanging Solutions Limited ('the Company'), incorporated on February 1, 2002, is an information technology (IT) services provider with operations in India and an international presence established through subsidiaries in USA and Singapore.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

These consolidated financial statements relating to Xchanging Solutions Limited ('the Company') and its subsidiaries (together 'the Group') have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 & relevant amendment rules issued thereafter and guidelines issued by the Securities and Exchange Board of India (SEBI) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

2.2 Basis of consolidation

2.2.1 Subsidiaries

- (A) Subsidiaries are all entities (including structured entities) over which the Company has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the balance sheet, statement of profit and loss and cash flow statement of the Company and its subsidiaries as at and for the year ended March 31, 2022. All inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated.

The excess of cost to the Company of its investments in subsidiaries, over its proportionate share in equity of the subsidiaries at the date of acquisition is recognised in the consolidated financial statements as Goodwill and disclosed under Intangible Assets. In case the cost of investment in subsidiaries is less than the proportionate share in equity of the subsidiaries at the date of acquisition, the difference is treated as Capital Reserve and disclosed under Reserves and Surplus or netted off against Goodwill, as may be the case.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

(B) Subsidiaries considered in the consolidated financial statements are given below:

Name of the subsidiary	Country of incorporation	Ownership Interest	
		2022	2021
Direct subsidiaries:			
Xchanging Solutions (Singapore) Pte Limited	Singapore	100%	100%
Xchanging Solutions (Europe) Limited [Upto August 13, 2021]	United Kingdom	100%	100%
Xchanging Solutions (USA) Inc	USA	100%	100%
Step-down subsidiaries:			
Nexplicit Infotech India Private Limited (Wholly owned subsidiary of Xchanging Solutions (USA) Inc)	India	100%	100%
Xchanging Solutions (Malaysia) Sdn Bhd (Wholly owned subsidiary of Xchanging Solutions (Singapore) Pte Limited) [Upto December 3, 2020]	Malaysia	-	100%

2.3 Goodwill arising on consolidation

Goodwill arising on acquisition is the difference between the cost of an acquired business and the aggregate of the fair value of that entity's identifiable assets and liabilities. Goodwill arising on consolidation is carried at the value determined at the date of acquisition of the subsidiary. Goodwill arising on consolidation is not amortised, but is tested for impairment at every balance sheet date.

2.4 Revenue recognition

Revenue is recognised net of Goods and Services Tax (GST) to the extent that it is probable that economic benefit will flow to the Group and that revenue can be reliably measured. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

- (i) Revenue on Time and Material contracts ("T&M") are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.
- (ii) In arrangements for software development and related services and maintenance services, the Group has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.
- (iii) Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.
- (iv) Revenue from licenses where the customer obtains a "right to use" the licenses is recognised at the time the license

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognised over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Maintenance Contracts (AMC). The Group has applied the principles under Ind AS 115 to account for revenues from these performance obligations.

When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognised using the percentage-of-completion method as the implementation is performed. Revenue from support and other services arising due to the sale of software products is recognised as the performance obligations are satisfied. AMC revenue is recognised ratably over the period in which the services are rendered.

- (v) Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.
- (vi) Deferred and unearned revenues represent the estimated unearned portion of fees derived from certain fixed-rate service agreements. Unearned revenues for fixed fee contracts are recognised on a pro-rata basis over the term of the underlying service contracts, which are generally one year.
- (vii) Unbilled revenue represents costs and earnings in excess of billings as at the balance sheet date.

2.5 Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accounted on accrual basis and recognised at effective interest rate wherever applicable. Dividend income is accounted for when the right to receive it is established.

2.6 Leases

As a lessee:

The Group’s lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Sublease: In respect of premises let out on sub lease, the Group recognises the lease payments as income on a straight-line basis over the term of the lease.

2.7 Foreign currencies

(i) Functional and presentation currency

The functional currency of Xchanging Solutions Limited and NexPLICIT Infotech India Private Limited is the Indian rupee. The functional currencies of Xchanging Solutions (Singapore) Pte Limited, Xchanging Solutions (Europe) Limited, Xchanging Solutions (USA) Inc and Xchanging Solutions (Malaysia) Sdn Bhd are the respective local currencies. These financial statements are presented in Indian rupee.

(ii) Initial recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(iii) Subsequent recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period other than those monetary assets which are provided for being doubtful of recovery.

Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

(iv) Translation of foreign operations:

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expense in the same period in which the gain or loss on disposal is recognised.

2.8 Employee benefits

2.8.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the

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Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.8.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits, are measured at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

The Group has a policy on compensated absences which are accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

Income tax expense or credit for the period is the tax payable on the current period's taxable income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.9.2 Deferred tax

Deferred income tax assets and liabilities are recognized for all temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred taxes and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.9.3 Current tax and deferred tax for the year

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.10 Property, plant and equipment and depreciation

- (i) Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses. Cost comprises the purchase price and any directly attributable costs of bringing the assets to their working condition for their intended use.
- (ii) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated

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residual value. Depreciation on Property, plant & equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc:

<u>Category of assets</u>	<u>Estimated useful life</u>
Computers	4 to 7 years

- (iii) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
- (iv) Leasehold improvements are amortised over the period of lease or five years (useful life), whichever is lower.
- (v) Assets individually costing up to Rupees five thousand are fully depreciated in the year of purchase.

2.11 Intangible Assets and Amortisation

Intangible assets with finite useful lives are stated at cost of acquisition less accumulated amortisation and impairment losses.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

- (i) Computer software is amortised over an estimated useful life of upto seven years.
- (ii) The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.12 Impairment of tangible and intangible assets

The carrying values of tangible and intangible assets at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and (b) an intangible asset with indefinite useful life.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.13 Provisions and contingent liabilities

Provisions: A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts (i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it) are recognised when it is probable that cash outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not

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wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.15 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value depending on the classification of the Financial assets.

2.15.1 Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.15.3

Financial assets that meet the following conditions are subsequently measured at Fair Value Through Other Comprehensive Income ("FVTOCI") (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI financial assets. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for financial assets through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on financial assets at FVTOCI, refer Note 2.15.3

All other financial assets are subsequently measured at fair value.

2.15.2 Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line

(All amounts in Rs. Lakhs, unless otherwise stated)

item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.15.3 Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR).

Allowance for Trade receivables

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

2.15.4 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

2.15.5 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

2.16 Financial liabilities

Classification as debt

Debt are classified as financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability

Financial liabilities

2.16.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL, are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest

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expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

2.16.2 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

2.16.3 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17 **Derivative financial instruments**

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.18 **Use of estimates**

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.19 **Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.20 **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.21 **Segment Reporting**

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance based on an analysis of various performance indicators by business segments and geographic segments.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, is included as "Unallocated". Segment assets includes all the assets except for deferred tax assets which are treated as unallocable.

The dominant source of risk and returns of the enterprise is considered to be the business in which it operates, viz. - Information Technology (IT) Services. The sub businesses are fully aligned to IT Services business of the Group and the same are being viewed by the management as a single business segment. Being a single business segment Group, no primary segment information is being provided.

2.22 **Earnings per share**

(All amounts in Rs. Lakhs, unless otherwise stated)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.23 Project work expenses

Project work expenses represents amounts charged by sub-contractors. These expenses are recognised on an accrual basis.

2.24 GST input credit

GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/ utilising the credits.

2.25 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2.25 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss under respective head in the period in which they become receivable.

2.26 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16– Property Plant and equipment- The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37– Provisions, Contingent Liabilities and Contingent Assets- The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Notes forming part of the Consolidated Financial Statements

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- i) Impairment of goodwill- Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. No impairment for goodwill has been identified during the year.
- ii) Income taxes- The Group's three major tax jurisdictions are India, Singapore and the United States of America, though the Group also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to note 28.
- iii) Fair value measurements and valuation processes- The gratuity liability is measured based on actuarial valuation for financial reporting purposes. In estimating the fair value and actuarial valuation, the Group uses market-observable data to the extent it is available. Where such inputs are not available, the Group engages third party qualified valuers to perform the valuation.
- iv) Estimation uncertainty relating to COVID-19 outbreak- The Group has considered internal sources of information up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Group expects to fully recover the carrying amount of trade receivables including unbilled receivables. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

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(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
4 PROPERTY, PLANT AND EQUIPMENT		
(Refer note 2.10 and 2.12)		
(Owned unless specified)		
Carrying amounts of:		
Leasehold Improvements	5	7
Computers	37	54
Office Equipment	3	3
Furniture and Fittings	1	3
	46	67

The changes in the carrying value for the year ended March 31, 2022

Particulars	Leasehold Improvements	Computers	Office Equipment	Furniture and Fittings	Total
Gross carrying value					
Balance as at April 1, 2020	15	933	151	13	1,112
Additions	-	41	-	1	42
Disposals	-	(20)	(43)	(5)	(68)
Translation	-	1	-	-	1
Balance as at March 31, 2021	15	955	108	9	1,087
Additions	6	-	3	-	9
Disposals	-	-	(20)	-	(20)
Translation	-	1	-	-	1
Balance as at March 31, 2022	21	956	91	9	1,077
Accumulated depreciation					
Balance as at April 1, 2020	5	903	146	10	1,064
Depreciation expense	3	17	2	1	23
Eliminated on disposals of assets	-	(20)	(43)	(5)	(68)
Translation	-	1	-	-	1
Balance as at March 31, 2021	8	901	105	6	1,020
Depreciation expense	8	17	3	2	30
Eliminated on disposals of assets	-	-	(20)	-	(20)
Translation	-	1	-	-	1
Balance as at March 31, 2022	16	919	88	8	1,031
Carrying value as at March 31, 2022	5	37	3	1	46
Carrying value as at March 31, 2021	7	54	3	3	67

5 RIGHT OF USE ASSETS

(Refer note 2.6)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

Particulars	Buildings
Balance as at April 1, 2020	221
Additions	-
Depreciation	(114)
Balance as at March 31, 2021	107
Additions	198
Deletions	(78)
Depreciation	(60)
Balance as at March 31, 2022	167

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	<u>As at</u> <u>March 31, 2022</u>	<u>As at</u> <u>March 31, 2021</u>
6 OTHER INTANGIBLE ASSETS (Refer note 2.11 and 2.12)		
Carrying amounts of:		
Computer software	2	3
	<u>2</u>	<u>3</u>

Particulars	Computer software	Total
Gross carrying value		
Balance as at April 1, 2020	64	64
Additions	1	1
Disposals	-	-
Translation	-	-
Balance as at March 31, 2021	65	65
Additions	-	-
Disposals	-	-
Translation	-	-
Balance as at March 31, 2022	65	65
Accumulated amortisation		
Balance as at April 1, 2020	61	61
Amortisation expense	1	1
Disposals	-	-
Translation	-	-
Balance as at March 31, 2021	62	62
Amortisation expense	1	1
Disposals	-	-
Translation	-	-
Balance as at March 31, 2022	63	63
Carrying value as at March 31, 2022	2	2
Carrying value as at March 31, 2021	3	3

	<u>As at</u> <u>March 31, 2022</u>	<u>As at</u> <u>March 31, 2021</u>
7 GOODWILL (Refer note 2.3 and 3.1.(i))		
Carrying amounts of:		
Cost	15,841	15,841
Accumulated impairment losses	-	-
	<u>15,841</u>	<u>15,841</u>

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Cost		
Balance at the beginning of year	15,841	15,841
Additions	-	-
Derecognised	-	-
Balance at the end of year	15,841	15,841
Accumulated impairment losses		
Balance at the beginning of year	-	-
Impairment losses recognised in the year	-	-
Balance at the end of year	-	-
Net block at the end of the year	15,841	15,841

7.1 Allocation of goodwill to cash-generating units

The entire goodwill is allocated to Information Technology services (CGU).

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial forecast approved by the management covering a five-year period, and a discount rate of 10% p.a. (2021: 10% p.a.).

Cash flow projections during the forecast period are based on the expected gross margins. The cash flows beyond that five-year period have been extrapolated using a terminal growth rate of 1% p.a. (2021: 1% p.a.). The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

As of March 31, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered. The key assumptions used for the calculations are as follows:

- (1) EBIT margin: Average gross margins achieved in the prior 4 years before the forecast period.
- (2) Discount rate: Discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

	As at	As at
	March 31, 2022	March 31, 2021
8 LOANS		
(Refer note 2.15 and 2.18)		
Unsecured, considered good unless otherwise stated		
Non-current		
Loans to fellow subsidiaries [Refer note 33 and note (i) below]	718	1,618
	718	1,618
Current		
Loans to fellow subsidiaries [Refer note 33 and note (i) below]	900	-
	900	-

Note:

- (i) As at March 31, 2022, the loans and advances balance of Rs. 1,618 (2021: Rs. 1,618) due from fellow subsidiaries is at 12% interest rate p.a. and repayable on demand. However, management does not have an intention to demand these loans except for Rs. 900 in the next 12 months and hence these have been classified under current and non-current financial assets accordingly. These financial assets are carried at amortised cost.

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Loans to Promoters, Directors, KMP and Related Parties (including interest accrued)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<u>Promoter</u>				
- Xchanging Technology Services India Private Limited (Fellow subsidiary)	908	908	56%	56%
<u>Director</u>				
-	-	-	-	-
<u>KMPs</u>				
-	-	-	-	-
<u>Individual Related Party:</u>				
- Xchanging Builders (India) Private Limited (Fellow subsidiary)	725	725	44%	44%
Total	1,633	1,633	100%	100%

	As at March 31, 2022	As at March 31, 2021
9 OTHER FINANCIAL ASSETS		
(Refer note 2.4, 2.15 and 2.18)		
Unsecured considered good unless otherwise stated		
Non-current		
Lease receivable from fellow subsidiaries [Refer note 33]	-	101
	<u>-</u>	<u>101</u>
Current		
Lease receivable from fellow subsidiaries [Refer note 33]	-	46
Security deposits		
- Considered good	49	12
- Considered doubtful	-	117
(Less): Provision for doubtful advances	-	(117)
Unbilled revenue		
- Fellow subsidiaries [Refer note 33]	7	3
- Others	1,648	1,738
Interest accrued on loans to fellow subsidiaries [Refer note 33]	15	15
Interest accrued on bank deposits	-	1
Other Loans and advances (includes advances to employees and other receivables)		
- Considered good	15	9
- Considered doubtful	9	13
(Less): Provision for doubtful advances	(9)	(13)
	<u>1,734</u>	<u>1,824</u>

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

10 DEFERRED TAX ASSETS (NET)

(Refer note 2.9 and 3.1.(ii))

Details of deferred tax assets and liabilities as at March 31, 2022 comprise of the following:

Particulars	As at April 1, 2021	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022
Deferred Tax Assets				
Depreciation	121	14	-	107
Provision for gratuity	85	(5)	(7)	97
Provision for compensated absences	40	1	-	39
Provision for other employee benefits	32	(8)	-	40
Provision for doubtful debts	317	40	-	277
Provision for doubtful advances	125	35	-	90
Adjustment for lease	6	5	-	1
Exchange differences in translating the financial statements of foreign operations	63	-	-	63
Others	8	(6)	-	14
Total (A)	797	76	(7)	728
Deferred Tax Liabilities				
Exchange differences in translating the financial statements of foreign operations	(359)	-	182	(541)
Total (B)	(359)	-	182	(541)
Deferred Tax Assets (Net) (A)-(B)	438	76	175	187

As at March 31, 2021

Particulars	As at April 1, 2020	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2021
Deferred Tax Assets				
Depreciation	146	25	-	121
Provision for gratuity	78	(8)	1	85
Provision for compensated absences	28	(12)	-	40
Provision for other employee benefits	15	(17)	-	32
Provision for doubtful debts	330	13	-	317
Provision for doubtful advances	118	(7)	-	125
Adjustment for lease	2	(4)	-	6
Exchange differences in translating the financial statements of foreign operations	63	-	-	63
Others	14	6	-	8
Total (A)	794	(4)	1	797
Deferred Tax Liabilities				
Exchange differences in translating the financial statements of foreign operations	(456)	-	(97)	(359)
Total (B)	(456)	-	(97)	(359)
Deferred Tax Assets (Net) (A)-(B)	338	(4)	(96)	438

10.1 Unrecognised taxable temporary differences associated with investments and interests

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Taxable temporary differences in relation to investments in subsidiaries for which deferred tax liabilities have not been recognised are attributable to the following:		
- foreign subsidiaries	840	662
Total	840	662

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
11 OTHER ASSETS		
(Refer note 2.24)		
Unsecured considered good unless otherwise stated		
Non-current		
Prepaid Expenses	-	1
Advances recoverable in kind		
- Income tax	1,775	1,775
- Service tax [Refer note 36]	177	177
Balances with Government Authorities (Service tax & GST)		
- Considered good	162	205
- Considered doubtful	351	352
(Less): Provision for doubtful advances	(351)	(352)
Security deposits	-	67
	2,114	2,225
Current		
Balances with Government Authorities (GST)	43	24
Prepaid Expenses	72	94
Other Loans and advances		
- Considered good	1	1
- Considered doubtful	-	14
(Less): Provision for doubtful advances	-	(14)
	116	119

12 TRADE RECEIVABLES

(Refer note 2.15, 32 and 33)

(Unsecured)

Considered good	1,478	933
Credit impaired	1,100	1,260
Less: Allowance for credit impairment	(1,100)	(1,260)
	1,478	933

Note:

The credit period ranges from 0 to 45 days. No interest is charged on trade receivables up to the due date. Cumulative balance of customers with more than 5% of total trade receivables amounts to Rs 941 (2021: Rs 596)

Trade receivables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-Considered Good	1,355	120	3	-	-	-	1,478
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	1,100	1,100
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	1,355	120	3	-	-	1,100	2,578
Less: Allowance for credit impairment							(1,100)
Total Trade Receivable							1,478

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Trade receivables ageing schedule for the year ended as on March 31, 2021

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-Considered Good	834	77	20	2	-	-	933
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	1	-	-	54	1,205	1,260
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	834	78	20	2	54	1,205	2,193
Less: Allowance for credit impairment							(1,260)
Total Trade Receivable							933

	As at March 31, 2022	As at March 31, 2021
13 CASH AND CASH EQUIVALENTS		
(Refer note 2.19)		
Balances with banks		
In current accounts	24,061	20,870
Funds in transit	17	-
In demand deposit accounts (less than 3 months maturity)	19,897	18,244
Cash on hand	-	-
Cash and cash equivalent as per consolidated statement of cash flow	43,975	39,114

14 OTHER BANK BALANCES

Long Term Deposit with maturity more than 3 months but less than 12 months	41	105
	41	105

Fixed Deposits with Banks include:

Rs. 31 (2021: Rs. 105) which are under lien

15 EQUITY SHARE CAPITAL

Authorised capital:

125,000,000 (2021: 125,000,000) Equity shares of Rs.10 each

Issued, subscribed and paid up capital:

111,403,716 (2021: 111,403,716) Equity shares of Rs.10 each fully paid up

	11,140	11,140
	11,140	11,140

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year are as given below:

Equity Shares	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	111,403,716	11,140	111,403,716	11,140
Add / (Less): Movement during the year	-	-	-	-
Shares outstanding at the end of the year	111,403,716	11,140	111,403,716	11,140

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

b) Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shares held by the holding company and its subsidiaries:

Name of Shareholder	As at	As at
	March 31, 2022	March 31, 2021
	Number of Shares	Number of Shares
Xchanging (Mauritius) Limited, the immediate holding company	58,002,787	58,002,787
Xchanging Technology Services India Private Limited, subsidiary of Immediate Holding Company	21,348,838	21,348,838
	79,351,625	79,351,625

d) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares held	Percentage	Number of Shares held	Percentage
Xchanging (Mauritius) Limited	58,002,787	52.07	58,002,787	52.07
Xchanging Technology Services India Private Limited	21,348,838	19.16	21,348,838	19.16

e) Details of Shares held by promoters at the end of the year

Promoter name	As at March 31, 2022		
	Number of Shares held	% of total shares	% change during the year
Xchanging (Mauritius) Limited	58,002,787	52.07	-
Xchanging Technology Services India Private Limited	21,348,838	19.16	-
DXC Technology India Private Limited	4,201,162	3.77	-
Total	83,552,787	75.00	-

Promoter name	As at March 31, 2021		
	Number of Shares held	% of total shares	% change during the year
Xchanging (Mauritius) Limited	58,002,787	52.07	-
Xchanging Technology Services India Private Limited	21,348,838	19.16	-
DXC Technology India Private Limited	4,201,162	3.77	-
Total	83,552,787	75.00	-

16 OTHER EQUITY	As at	As at
	March 31, 2022	March 31, 2021
Capital reserve	361	361
Security premium	8,417	8,417
Foreign currency translation reserve	1,381	842
Retained earnings	40,046	34,809
	50,205	44,429

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
16.1 Capital reserve		
Balance at the beginning of the year	361	361
Add / (Less): Movement during the year	-	-
Balance at the end of the year	<u>361</u>	<u>361</u>

Capital reserve represents waiver of liability by Scandent Holding Mauritius Limited, erstwhile ultimate holding company.

16.2 Security premium		
Balance at the beginning of the year	8,417	8,417
Add / (Less): Movement during the year	-	-
Balance at the end of the year	<u>8,417</u>	<u>8,417</u>

Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.

16.3 Foreign currency translation reserve		
Balance at the beginning of the year	842	1,129
Add: Exchange difference arising on translating the foreign operations net of income tax	539	(287)
Balance at the end of the year	<u>1,381</u>	<u>842</u>

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rs.) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

16.4 Retained earnings		
Balance at the beginning of the year	34,809	28,563
Profit for the year	5,257	6,244
Other comprehensive income arising from remeasurement of defined benefit obligation net of tax	(20)	2
Balance at the end of the year	<u>40,046</u>	<u>34,809</u>

Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.

17 PROVISIONS

(Refer note 2.8)

Non-current

Provision for employee benefits :

Provision for compensated absences	111	118
Provision for gratuity [Refer note 31]	292	271
	<u>403</u>	<u>389</u>

Current

Provision for employee benefits :

Provision for compensated absences	75	91
Provision for gratuity [Refer note 31]	94	69
	<u>169</u>	<u>160</u>

Note: The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
18 TRADE PAYABLES		
(Refer note 2.16)		
Total outstanding dues of micro enterprises and small enterprises (Refer Note (ii))	-	1
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to Related parties [Refer note 33]	903	1,521
Others:		
Goods & services	545	529
Employee related payables	166	242
	<u>1,614</u>	<u>2,292</u>
	<u>1,614</u>	<u>2,293</u>

Notes:

- (i) The credit period ranges from 0 to 90 days. No interest is charged on trade payables up to the due date. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.
- (ii) On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:
- | | | |
|--|---|---|
| (a) Principal amount remaining unpaid | - | 1 |
| (b) Interest due thereon remaining unpaid | - | - |
| (c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period | - | - |
| (d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | - | - |
| (e) Interest accrued and remaining unpaid | - | - |
| (f) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | - | - |

Trade payables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	765	709	138	-	2	-	1,614
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	765	709	138	-	2	-	1,614

Trade payables ageing schedule for the year ended as on March 31, 2021

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	1	-	-	-	1
(ii) Others	872	679	704	35	2	-	2,292
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	872	679	705	35	2	-	2,293

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
19 OTHER FINANCIAL LIABILITIES (Refer note 2.7 and 2.16)		
Other financial liabilities	8	20
	<u>8</u>	<u>20</u>
20 CURRENT TAX ASSETS AND LIABILITIES (Refer note 2.9 and 3.1.(ii))		
Current tax assets		
Tax refund receivable	5,818	5,173
	<u>5,818</u>	<u>5,173</u>
Current tax liabilities		
Income tax payable	9,176	8,710
	<u>9,176</u>	<u>8,710</u>
	<u>3,358</u>	<u>3,537</u>
21 OTHER CURRENT LIABILITIES (Refer note 2.4 and 2.7)		
Income received in advance (Unearned revenue)	120	81
Statutory remittances (Contributions to PF, Withholding Taxes etc.)	130	101
Advances from customers	-	80
	<u>250</u>	<u>262</u>
	<u>250</u>	<u>262</u>
	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
22 REVENUE FROM OPERATIONS (Refer note 2.4, 29 and 33)		
Software services	17,427	19,574
	<u>17,427</u>	<u>19,574</u>
	<u>17,427</u>	<u>19,574</u>

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2022 by contract type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

Revenues by contract type	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
T&M and AMC	16,101	17,627
Fixed Price	1,326	1,947
Total	<u>17,427</u>	<u>19,574</u>

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
23 OTHER INCOME		
(Refer note 2.5 and 2.7)		
a) <u>Interest Income (at amortised cost)</u>		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits	498	518
Income tax refunds	-	535
Loans to fellow subsidiaries [Refer note 33]	194	194
	<u>692</u>	<u>1,247</u>
b) <u>Other non-operating income (net of expenses directly attributable to such income)</u>		
Other provisions no longer required written back	97	102
Liabilities no longer required written back	11	1
Lease rental income	4	13
Service tax refund	-	66
Release of foreign currency translation reserve	-	126
Others (aggregate of immaterial items)	27	38
	<u>139</u>	<u>346</u>
c) <u>Other gains and losses</u>		
Foreign exchange gain (net)	26	-
	<u>26</u>	<u>-</u>
(a+b+c)	<u>857</u>	<u>1,593</u>
24 EMPLOYEE BENEFITS EXPENSE		
(Refer note 2.8 and 31)		
Salaries and wages including bonus	5,562	6,610
Less: Towards government grant	<u>-</u>	<u>(57)</u>
Contribution to provident and other funds [Refer note 31]	169	226
Gratuity expenses [Refer note 31]	52	52
Staff welfare expenses	426	530
	<u>6,209</u>	<u>7,361</u>
25 FINANCE COSTS		
(Refer note 2.6)		
Interest expenses on lease liabilities	16	26
	<u>16</u>	<u>26</u>
26 DEPRECIATION AND AMORTISATION EXPENSE		
(Refer note 2.6, 2.10, 2.11 and 2.18)		
Depreciation of property, plant and equipment [Refer note 4]	30	23
Depreciation of right of use of assets [Refer note 5]	60	114
Amortisation of intangible assets [Refer note 6]	1	1
	<u>91</u>	<u>138</u>

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
27 OTHER EXPENSES		
(Refer note 2.6, 2.7, 2.13, 2.18 and 2.23)		
Project work expenses	5,289	5,746
Power and fuel	24	26
Rental expenses*	5	5
Repairs and maintenance:		
Computer equipments	38	70
Others	46	80
Insurance	56	58
Rates and taxes	10	24
Communication	44	74
Travelling and conveyance	14	21
Business promotion	3	6
Training and development	1	12
Expenditure towards Corporate Social Responsibility (CSR) activities [Refer note 37]	49	42
Legal and professional	57	82
Payments to auditors [Refer Note (i) below]	119	119
Foreign exchange loss (net)	-	112
Provision for doubtful advances	1	107
Directors' sitting fees	44	43
Loss on sale of tangible assets	-	-
Release of foreign currency translation reserve	29	-
Miscellaneous expenses	52	48
	5,881	6,675

* Represents lease rentals for short term leases and leases of low value assets

Note:

(i) Payments to the auditors comprise (net of taxes, where applicable):

Statutory audit	67	67
Limited review of quarterly financial results	44	44
Tax audit	6	6
Certifications	2	2
	119	119

28 INCOME TAXES

(Refer note 2.9 and 3.1.(ii))

1. Income tax recognised in profit or loss

Current tax

In respect of current year	1,452	1,099
In respect of tax adjustments related to earlier years	(698)	(372)

Deferred tax

In respect of current year	76	(4)
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Total income tax expense /(gain) recognised in the current year	830	723
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Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
2. The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	6,087	6,967
Income tax expense calculated at 25.168% (2021: 25.168%)	1,532	1,752
Adjustments in respect of current income tax of previous years	(698)	(372)
Effect of notional income recognised for taxation	196	196
Effect of inadmissible expenses	12	11
Effect of change in tax rate in foreign subsidiaries	(121)	(131)
Effect of depreciation taken in returns	(18)	(97)
Effect of deferred tax asset not recognized on carry forward losses in foreign subsidiaries	(94)	(638)
Others	21	2
Income tax expense recognised in Profit and Loss	830	723
The income tax rate used for the above reconciliations is current tax 25.168% (2021: 25.168%) and deferred tax 25.168% (2021: 25.168%), these are the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.		
3. Income tax recognised in other comprehensive income:		
Income tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	7	(1)
Exchange differences in translating the financial statements of foreign operations	-	-
Total	7	(1)
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	-	-
Exchange differences in translating the financial statements of foreign operations	(182)	97
Total	(182)	97
Total income tax recognised in other comprehensive income	(175)	96
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	7	(1)
Items that may be reclassified to profit or loss	(182)	97

29 SEGMENT INFORMATION

(Refer note 2.21)

The entire operation of the Group relate only to single operating segment "Software Services". Thus there are no reportable segments which require disclosures under Ind AS 108 "Operating Segments".

Additional information relating to geographical dispersion is as follows:

	Revenue by location of customers	
	March 31, 2022	March 31, 2021
Europe	337	1,210
USA	11,012	12,214
India	1,153	1,132
Singapore	4,700	4,827
Rest of the World	225	191
	17,427	19,574

Balance of customers with more than 10% of total revenue amounts to Rs. 10,430 (2021: Rs. 11,654)

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	Carrying amount of segment assets by location of the assets		Addition to Fixed Assets/Right of use assets	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Europe	115	81	-	-
USA	19,006	16,085	-	-
India	23,419	21,781	205	38
Rest of the World	24,592	24,110	1	5
	67,132	62,057	206	43

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021

30 EARNINGS PER SHARE

(Refer note 2.22)

Basic earnings per share

Profit for the year after tax	5,257	6,244
Nominal value per share (Rs.)	10	10
Weighted average number of equity shares considered for calculating basic earnings per share – (A)	111,403,716	111,403,716

Earnings per share – Basic (Rs.)

4.72 **5.60**

Diluted earnings per share

Weighted average number of equity shares considered for calculating diluted earnings per share – (B)	111,403,716	111,403,716
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Earnings per share – Diluted (Rs.)

4.72 **5.60**

31 EMPLOYEE BENEFITS EXPENSE

(Refer note 2.8)

(a) Defined Contribution Plans

Provident Fund and Other Funds: During the year, the Group has recognised Rs. 169 (2021: Rs. 226) in the Statement of Profit and Loss relating to provident fund and other funds, which is included in the 'Contribution to provident and other funds'.

(b) Defined Benefit Plan

Gratuity (unfunded): The Group provides for gratuity, a defined benefit plan (the "gratuity plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Group.

The Group is exposed to various risks in providing the above gratuity benefit such as: interest rate risk, longevity risk and salary risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

The following tables summarise the components of expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the gratuity plan:

	As at	As at
	March 31, 2022	March 31, 2021
(i) Movement in Present Value of the Defined benefit obligation		
Balance at the beginning of the year	340	311
Current Service Cost	36	35
Interest Cost	16	17
Actuarial (Gains) / Losses- Demographic	-	-
Actuarial (Gains) / Losses- Financial	(6)	(5)
Actuarial (Gains) / Losses- Experience	33	2
Benefits paid	(33)	(20)
Present Value of Defined benefit obligation at the end of the year	386	340
	As at	As at
	March 31, 2022	March 31, 2021
(ii) Assets and Liabilities recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation	386	340
Amounts recognised as liability	386	340
Recognised under:		
Non-current provisions [Refer note 17]	292	271
Current provisions [Refer note 17]	94	69
	386	340
	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
(iii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.		
Current Service Cost	36	35
Interest Cost	16	17
Components of defined benefit costs recognised in profit or loss	52	52
Remeasurement on the net defined benefit liability:		
Actuarial (Gain) / Loss due to Demographic Assumption changes	-	-
Actuarial (Gain) / Loss due to Financial Assumption changes	(6)	(5)
Actuarial (Gain) / Loss due to Experience	33	2
Components of defined benefit costs recognised in other comprehensive income	27	(3)
Total	79	49
	As at	As at
	March 31, 2022	March 31, 2021
(iv) Actuarial Assumptions		
Discount Rate	5.95%	5.55%
Attrition Rate	20%	20%
Increase in Compensation Cost	5.50%	5.50%
Retirement Age	60 years	60 years

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

(v) Expected Future Cashflows

Particulars	March 31, 2022	March 31, 2021
Year 1	94	69
Year 2	72	69
Year 3	54	52
Year 4	49	40
Year 5	47	36
Years 6 to 10	118	106

Notes:

- The estimates of future salary increases, considered in the actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.
- The discount rate is based on the prevailing market yields of Indian government securities as at the Balance Sheet date for the estimated term of the obligation.

(vi) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The following table summarizes the impact on defined benefit obligation arising due to increase / decrease in key actuarial assumptions by 50 basis points:

As at March 31, 2022

Defined Benefit Obligation	Discount rate	Rate of Increase in Compensation Cost
Impact of decrease	8	(7)
Impact of increase	(7)	8

As at March 31, 2021

Defined Benefit Obligation	Discount rate	Rate of Increase in Compensation Cost
Impact of decrease	6	(7)
Impact of increase	(7)	6

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

32 FINANCIAL INSTRUMENTS

32.1 Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt and total equity of the Group.

The Group is not subject to any externally imposed capital requirements. The Group is fully funded by equity.

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

32.2 Categories of financial instruments

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Financial assets		
<u>Measured at amortised cost</u>		
(a) Cash and bank balances	43,975	39,114
(b) Bank balances other than above	41	105
(c) Trade receivables	1,478	933
(d) Other financial assets at amortised cost	3,352	3,543
Financial liabilities		
<u>Measured at amortised cost</u>		
Lease liabilities	172	265
Other financial liability at amortised cost	1,622	2,313

32.3 Financial risk management

The Group is exposed to foreign currency risk, liquidity risk, credit risk and interest risk which may impact the fair value of its financial instruments. The Group has a risk management policy to manage & mitigate these risks. The Group's risk management policy aims to reduce volatility in consolidated financial statements while maintaining balance between providing predictability in the Group's business plan along with reasonable participation in market movement.

32.4 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 32.5).

32.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Liabilities as at		Assets as at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
GBP	9	22	7	-
USD	831	865	19,187	18,185
Others*	463	1,088	8,352	6,593
Total	1,303	1,975	27,546	24,778

* Others include currencies such as SGD, EUR, MYR, AUD, VND and CRC.

32.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to the USD and GBP.

The following table details the Group's sensitivity to a 10% increase and decrease in the Rs. against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Rs. strengthens 10% against the relevant currency. For a 10% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
GBP sensitivity				
Increase by 10%	-	(2)	-	(2)
Decrease by 10%	-	2	-	2
USD sensitivity				
Increase by 10%	1,836	1,732	1,836	1,732
Decrease by 10%	(1,836)	(1,732)	(1,836)	(1,732)
Others sensitivity*				
Increase by 10%	789	551	789	551
Decrease by 10%	(789)	(551)	(789)	(551)

* Others include currencies such as SGD, EUR, MYR, AUD, VND and CRC.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

32.6 Interest rate risk management

The Group is exposed to interest rate risk because the Group lend/ borrow funds at fixed interest rates. There is no exposure to market rate fluctuations. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

32.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables. The Group does not have significant credit risk exposure to any single counterparty.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Provision for expected credit losses

The Group provides for expected credit loss based on the following:

Category	Description of category	Basis for recognition of expected credit loss provision		
		Loans at amortised cost	Other financial assets at amortised cost	Trade receivables
High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12-month expected credit losses	12-month expected credit losses	Life-time expected credit losses (simplified approach)
Standard assets, moderate credit risk	Assets where the probability of default is considered moderate, however counter-party has sufficient capacity to meet the obligations			
Low quality assets, very high credit risk	Assets where there is a high probability of default and is considered as high risk	Life-time expected credit losses	Life-time expected credit losses	
Doubtful assets, credit-impaired	Assets are written off when there is no reasonable expectation of recovery	Asset is written off		

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2022 (a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,618	0%	-	1,618
		High quality assets, negligible credit risk	Other financial assets at amortised cost	15	0%	-	15
		Standard assets, moderate credit risk	Other financial assets at amortised cost	1,728	1%	9	1,719
(b) For expected credit loss for trade receivables under simplified approach refer note 12							

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2021 (a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,618	0%	-	1,618
		High quality assets, negligible credit risk	Other financial assets at amortised cost	163	0%	-	163
		Standard assets, moderate credit risk	Other financial assets at amortised cost	1,892	7%	130	1,762
(b) For expected credit loss for trade receivables under simplified approach refer note 12							

32.8 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

32.8.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Average effective interest rate(%)	Less than 1 year	1-2 years	2 years & above	Total carrying value
March 31, 2022					
Non-interest bearing Lease liabilities	-	1,622	-	-	1,622
	6.53%- 6.62%	48	96	52	196
		1,670	96	52	1,818
March 31, 2021					
Non-interest bearing Lease liabilities	-	2,313	-	-	2,313
	7.78%	99	192	-	291
		2,412	192	-	2,604

32.9 Fair value measurements

Fair value hierarchy

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

There are no financial assets and liabilities measured at fair value as at March 31, 2022 and March 31, 2021

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2022 and March 31, 2021

Valuation Methodologies

Investments in mutual funds: The Group's investments consist primarily of investment in debt linked mutual funds. Fair values of investment securities classified as fair value through profit and loss are determined using the closing NAV and are classified as Level 1.

Fair value of financial assets and financial liabilities that are not measured at fair value

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

33 RELATED PARTY DISCLOSURES

A. Names of related parties and nature of relationship:

1) Parties where control exists:

Nature of relationship

(i) Holding companies:

Ultimate Holding Company
Intermediate holding companies

Names of related parties

DXC Technology Company
Computer Sciences Corporation, USA ('CSC, USA')
DXC US International Inc.
Lux 1 Holding Company, Inc.
DXC Luxembourg International S.a.r.l.
DXC Lux 5 S.a.r.l.
DXC Luxembourg Holding S.a.r.l.
DXC Lux 6 S.a.r.l.
DXC UK International Holdings Limited
DXC UK International Services Limited
DXC UK International Limited
DXC UK International Operations Limited
Xchanging Holdings Limited
Xchanging B.V.
Xchanging (Mauritius) Limited, Mauritius ('XML, Mauritius')

Immediate holding company

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

(ii) Key Managerial Personnel (KMP)

Whole time Director & Chief Financial Officer	Shrenik Kumar Champalal
Managing Director & Chief Executive Officer	Chandrasekhara Boddaju Rao (till August 8, 2021)
Managing Director & Chief Executive Officer	Nachiket Vibhakar Sukhtankar (from August 13, 2021)
Company Secretary	Aruna Mohandoss (till October 11, 2021)
Company Secretary	Mayank Jain (from November 11, 2021)

2) Other Related Parties with whom transactions have taken place during the year:

Fellow subsidiaries

Xchanging Global Insurance Solutions Ltd., UK ('XGISL, UK')
Xchanging Technology Services India Private Limited, India ('XTSIPL, India')
Xchanging UK Limited, UK ('XUKL, UK')
Xchanging Asia Pacific Sdn Bhd, Malaysia ('XAPSB, Malaysia')
Xchanging Builders (India) Private Limited, India ('XBPL, India')
DXC Technology India Private Limited, India ('DXC, India')
DXC Technology Singapore Pte. Ltd, Singapore (previously known as CSC Technology Singapore Pte. Ltd) ('DXC, Singapore')
DXC Technology Services Vietnam Co Ltd, Vietnam ('DXC, Vietnam')
EIT Services India Private Limited, India ('EIT, India')
DXC Technology Services Singapore Pte.Ltd, Singapore (previously known as E Services Singapore Pte.Ltd) ('DXC Technology, Singapore')
Ins-Sure Services Limited, UK ('Ins-Sure, UK')
CSC Consulting Inc., USA ('CSC Consulting, USA')
DXC Technology Services LLC, USA (previously known as Enterprise Services LLC) ('DXC, USA')
CSC Corp - FSG US, USA ('CSC Corp, USA')
CSC CORP-Americas Outsourcing, USA (previously known as MSS-Americas Outsourcing) ('Americas Outsourcing, USA')
DXC US Agility Platform Inc., USA (previously known as Service Mesh Inc.) ('DXC US Agility, USA')
DXC Enterprise Services New Zealand, New Zealand (previously known as Enterprise Services New Zealand ('DXC Enterprise Services, New Zealand'))
EntServ Deutschland GmbH, Germany ('EntServ, Germany')
Enterprise Services Nederland B.V., Nederland ('Enterprise Services, Nederland')
Enterprise Services Sverige AB, Sweden ('Enterprise Services, Sweden')
DXC Technology Switzerland GmbH, Switzerland (previously known as CSC Switzerland GmbH) ('DXC, Switzerland')
CSC Computer Sciences Limited, UK ('CSC Computer, UK')
EntServ UK Limited, UK ('EntServ, UK')
UXC ECLIPSE USA LLC, USA ('UXC ECLIPSE, USA')
FSG – Mynd Corp, USA ('FSG, USA')
EntServ Malaysia Sdn Bhd, Malaysia ('EntServ, Malaysia')
CSC Covansys Corporation, USA ('CSC Covansys, USA')
Enterprise Services Costa Rica Limitada, Costa Rica ('Enterprise Services, Costa Rica') (effective from current financial year)
ESIT Canada Enterprise Services, Canada ('ESIT, Canada') (effective from current financial year)
DXC Enterprise Australia Pty Ltd, Australia ('DXC Enterprise, Australia') (effective from current financial year)
CHEU EntServ Schweiz(EnQ4), Switzerland ('CHEU EntServ, Switzerland') (effective from current financial year)
EntServ Schweiz GmbH, Switzerland ('EntServ, Switzerland') (effective from current financial year)

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

Fondsdepot Bank GmbH, Germany ('Fondsdepot, Germany') (effective from current financial year)

Enterprise Services Italia Srl, Italy ('Enterprise Services, Italy') (effective from current financial year)

DXC Integrated Services Victoria Pty Ltd, Australia ('DXC Integrated Services, Australia') (effective from current financial year)

DXC Australia Pty Ltd, Australia ('DXC, Australia') (effective from current financial year)

XCH Systems and Svcs Inc, USA ('XCH Systems, USA') (effective from current financial year)

B. Summary of transactions with related parties is as follows:	Holding companies		Fellow subsidiaries		Total	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021

Expenses paid on behalf of the Group:

XUKL, UK	-	-	9	21	9	21
XTSIPL, India	-	-	1,909	2,383	1,909	2,383
DXC, India	-	-	116	153	116	153
DXC, Singapore	-	-	815	936	815	936
DXC, Vietnam	-	-	452	383	452	383
DXC Technology, Singapore	-	-	143	113	143	113
DXC, USA	-	-	466	221	466	221
Americas Outsourcing, USA	-	-	44	33	44	33
DXC US Agility, USA	-	-	36	29	36	29
XGISL, UK	-	-	-	4	-	4
FSG, USA	-	-	26	6	26	6
EntServ, Malaysia	-	-	44	23	44	23
CSC Covansys, USA	-	-	122	106	122	106
XAPSB, Malaysia	-	-	41	-	41	-
Enterprise Services, Costa Rica	-	-	1	-	1	-
EntServ, UK	-	-	10	-	10	-
EIT, India	-	-	124	100	124	100
Total	-	-	4,358	4,511	4,358	4,511

Expenses paid on behalf of the related party:

XTSIPL, India	-	-	54	210	54	210
CSC, USA	2	-	-	-	2	-
Total	2	-	54	210	56	210

Interest income on loans:

XTSIPL, India	-	-	108	108	108	108
XBPL, India	-	-	86	86	86	86
Total	-	-	194	194	194	194

Revenue:

XGISL, UK	-	-	-	40	-	40
XAPSB, Malaysia	-	-	-	174	-	174

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

B. Summary of transactions with related parties is as follows:	Holding companies		Fellow subsidiaries		Total	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021

XTSIPL, India	-	-	106	79	106	79
DXC, India	-	-	650	595	650	595
DXC, Singapore	-	-	498	723	498	723
DXC Technology, Singapore	-	-	414	343	414	343
Ins-Sure, UK	-	-	204	279	204	279
EIT, India	-	-	31	18	31	18
CSC Consulting, USA	-	-	18	-	18	-
DXC, USA	-	-	714	453	714	453
CSC Corp, USA	-	-	-	94	-	94
Americas Outsourcing, USA	-	-	6	-	6	-
DXC, Switzerland	-	-	191	365	191	365
EntServ, Germany	-	-	32	41	32	41
Enterprise Services, Nederland	-	-	38	6	38	6
Enterprise Services, Sweden	-	-	20	5	20	5
CSC Computer, UK	-	-	101	6	101	6
EntServ, UK	-	-	24	3	24	3
CSC, USA	1	-	-	-	1	-
ESIT, Canada	-	-	3	-	3	-
DXC Enterprise, Australia	-	-	23	-	23	-
CHEU EntServ, Switzerland	-	-	6	-	6	-
EntServ, Switzerland	-	-	1	-	1	-
Fondsdepot, Germany	-	-	76	-	76	-
Enterprise Services, Italy	-	-	3	-	3	-
DXC Enterprise Services, New Zealand	-	-	4	-	4	-
CSC Covansys, USA	-	-	6	-	6	-
DXC Integrated Services, Australia	-	-	4	-	4	-
DXC, Australia	-	-	13	-	13	-
XUKL, UK	-	-	20	-	20	-
XCH Systems, USA	-	-	18	-	18	-
UXC ECLIPSE, USA	-	-	-	2	-	2
Total	1	-	3,224	3,226	3,225	3,226

Other Income:

XTSIPL, India	-	-	4	13	4	13
Total	-	-	4	13	4	13

Purchase of Assets:

EIT, India	-	-	-	1	-	1
Total	-	-	-	1	-	1

Note:

(i) Amount below the rounding off norm adopted by the Group i.e. Rs. 1 Lakh are not considered above

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

C. Summary of balances of related parties is as follows:	Holding companies		Fellow subsidiaries		Total	
	As at	As at	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021

Trade Receivables:

XAPSB, Malaysia	-	-	-	100	-	100
XTSIPL, India	-	-	32	46	32	46
DXC, India	-	-	50	93	50	93
DXC, Singapore	-	-	40	72	40	72
Ins-Sure, UK	-	-	17	17	17	17
EIT, India	-	-	4	5	4	5
CSC Consulting, USA	-	-	2	-	2	-
DXC, USA	-	-	74	57	74	57
Enterprise Services, Nederland	-	-	3	6	3	6
Enterprise Services, Sweden	-	-	2	5	2	5
DXC, Switzerland	-	-	18	63	18	63
CSC Computer, UK	-	-	11	6	11	6
EntServ, UK	-	-	2	1	2	1
XUKL, UK	-	-	2	-	2	-
Americas Outsourcing, USA	-	-	1	-	1	-
EntServ, Germany	-	-	7	-	7	-
DXC Enterprise, Australia	-	-	2	-	2	-
Fondsdepot, Germany	-	-	76	-	76	-
DXC Integrated Services, Australia	-	-	1	-	1	-
DXC, Australia	-	-	1	-	1	-
CHEU EntServ, Switzerland	-	-	1	-	1	-
Enterprise Services, Italy	-	-	1	-	1	-
CSC Covansys, USA	-	-	3	-	3	-
XCH Systems, USA	-	-	1	-	1	-
DXC Technology, Singapore	-	-	49	33	49	33
Total	-	-	400	504	400	504

Trade Payables:

XUKL, UK	-	-	8	19	8	19
XGISL, UK	-	-	-	5	-	5
XTSIPL, India	-	-	171	160	171	160
DXC, India	-	-	87	20	87	20
DXC, Singapore	-	-	57	443	57	443
CSC, USA	385	554	-	-	385	554
EIT, India	-	-	13	11	13	11
Americas Outsourcing, USA	-	-	-	33	-	33
DXC Technology, Singapore	-	-	12	130	12	130
DXC, USA	-	-	103	43	103	43
DXC US Agility, USA	-	-	5	5	5	5
EntServ, Malaysia	-	-	10	3	10	3

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

C. Summary of balances of related parties is as follows:	Holding companies		Fellow subsidiaries		Total	
	As at	As at	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
CSC Covansys, USA	-	-	11	11	11	11
FSG, USA	-	-	-	2	-	2
XAPSB, Malaysia	-	-	5	-	5	-
EntServ, UK	-	-	1	-	1	-
DXC, Vietnam	-	-	35	82	35	82
Total	385	554	518	967	903	1,521

Lease receivable:

XTSIPL, India	-	-	-	147	-	147
Total	-	-	-	147	-	147

Loans and Advances (including interest accrued):

XTSIPL, India	-	-	908	908	908	908
XBPL, India	-	-	725	725	725	725
Total	-	-	1,633	1,633	1,633	1,633

Note:

(i) Amount below the rounding off norm adopted by the Group i.e. Rs. 1 Lakh are not considered above

D. Remuneration paid to the key managerial personnel

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Salaries, bonus, etc.	73	67
Total	73	67

Note:

(i) As gratuity and compensated absences provision are computed for all the employees in aggregate, the amounts relating to key managerial personnel cannot be individually identified.

34 LEASES

(Refer note 2.6)

The Group has operating lease arrangements for its office premises. The lease arrangements for premises have been entered up to a maximum of five years from the respective dates of inception. Some of these lease arrangements have price escalation clauses.

A. Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities as at March 31, 2022

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Current lease liabilities	38	85
Non-current lease liabilities	134	180
Total	172	265

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

B. Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2022

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Balance as at the beginning of the year	265	231
Additions	198	190
Deletions	(200)	-
Finance costs accrued during the period	16	26
Payment of Lease liabilities	(107)	(182)
Balance as at the end of the year	172	265

C. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Less than one year	48	99
One to five years	148	192
More than five years	-	-
Total	196	291

D. Amounts recognized in profit or loss:

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Interest on lease liabilities	16	26
Expenses relating to short- term leases	5	5
Depreciation of right of use of assets	60	114

E. Amounts recognized in statement of cash flows

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Total cash outflows for leases	107	182

As at	As at
March 31, 2022	March 31, 2021

35 CAPITAL AND OTHER COMMITMENTS

(a) Capital Commitments

Estimated value of contracts in capital account remaining to be executed (net of advances)

-

-

36 CONTINGENT LIABILITIES

(Refer note 2.13)

(i) Claims against the Company not acknowledged as debts:

Income tax matters [Note (a)]	2,763	2,582
Service tax matters [Note (b)]	4,718	4,718
	7,481	7,300

Notes:

(a) Represents various income tax demands under appeal.

(b) The Company had received a Show Cause Notice ("SCN") from the Commissioner of Service Tax, Bangalore in October 2012 proposing a demand of service tax of Rs. 23.59 crs. on import of certain services made by company during the FYs

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

2007-08 to 2011-12. In March 2013, a suitable reply to above SCN was filed by company stating the legal grounds in defence of the matter. In November 2020, the adjudicating authority i.e. the Principal Commissioner of Service Tax, Noida passed the Order In Original ('OIO') confirming the demand of service tax proposed in the SCN along with penalty of Rs. 23.59 crs and applicable interest. The company has filed an appeal before CESTAT in Allahabad against above OIO in April, 2021 after paying a pre-deposit amount of Rs. 1.77 crs. Also refer note 11.

- (c) The above contingent liabilities are possible obligation or present obligation that may (but probably will not) require an outflow of resources.
- (d) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- (e) The Group does not expect any reimbursements in respect of the above contingent liabilities.

37 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Sec 135 of the Companies Act, 2013 applicable in the current year, gross amount required to be spent by the Company during the year is Rs. 49 (2021: Rs. 42) on various CSR initiatives. Amount spent during the year are mentioned below:

Sector in which the project is covered	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Education of underprivileged children	Samiti for Education Environment Social & Health Action (SEESHA)	49	-
Promoting education, including special education	Samarthanam Trust for the Disabled	-	42
Total		49	42

38 TRANSFER PRICING

The Group has carried out international transactions with associated enterprises. The Group appoints independent consultants to conduct a Transfer Pricing Study to determine whether the transactions with associated enterprises undertaken during the period are on an "arms length basis". For the current period, the transfer pricing study shall be completed within the permissible time under the legislation and adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed. However, the Management is confident that its international transactions with associated enterprises and within its subsidiaries are at arm's length so that the aforesaid legislation/transactions will not have any material impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation for the current period.

39 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Entity	Net assets, i.e., total assets minus total liabilities		Share in profit/(loss) for the year ended March 31, 2022		Share in other comprehensive income for the year ended March 31, 2022		Share in total other comprehensive income for the year ended March 31, 2022	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total other comprehensive income	Amount
Xchanging Solutions Limited	119%	26,733	28%	2,219	100%	(20)	27%	2,199
<u>Indian Subsidiaries</u>								
Nexplicit Infotech India Private Limited	0%	87	0%	(6)	-	-	0%	(6)
<u>Foreign Subsidiaries</u>								
Xchanging Solutions (Europe) Limited	0%	-	34%	2,741	-	-	34%	2,741
Xchanging Solutions (Singapore) Pte Limited	35%	7,939	13%	1,053	-	-	14%	1,053
Xchanging Solutions (USA) Inc	-54%	(12,215)	25%	2,020	-	-	25%	2,020
Gross amounts	100%	22,544	100%	8,027	100%	(20)	100%	8,007
Adjustments arising out of consolidation		38,801		(2,770)		539		(2,231)
Net amounts		61,345		5,257		519		5,776

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

40 DISCLOSURE AS PER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Loans given to fellow subsidiaries in which directors are interested:

Name of the party	Relationship	Amount outstanding as at March 31, 2022	Maximum balance outstanding during the year
Xchanging Technology Services India Private Limited	Fellow subsidiary	908 (908)	909 (917)
Xchanging Builders (India) Private Limited	Fellow subsidiary	725 (725)	725 (732)

Note: Figures in bracket relate to previous year

41 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

42 APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Group have been reviewed and recommended by the Audit Committee to the Board, and approved by the Board of Directors at its meeting held on May 23, 2022.

43 OTHER STATUTORY DISCLOSURES

43.1 As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.

43.2 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding, whether recorded in writing or otherwise, that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44 PREVIOUS YEAR FIGURES

The financial statements have been prepared in accordance with the amended Scheduled III and accordingly previous year's numbers have been regrouped/reclasses (as necessary) and incremental disclosures have been made to compare with current year disclosures.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Gurvinder Singh
Partner
Membership No. 110128

Place: Bengaluru
Date: May 23, 2022

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

Place: Mumbai
Date: May 23, 2022

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN: 08099410

Place: Bengaluru
Date: May 23, 2022

Mayank Jain
Company Secretary

Place: Delhi
Date: May 23, 2022

FORM AOC – 1

Pursuant to first proviso to Sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2018
Statement containing salient features of the financials statements of subsidiaries/associates Companies / joint ventures
as included in the consolidated Financial Statement

Part – “A”: Subsidiaries

(INR in Lakhs)

S. No.	Particulars	Xchanging Solutions (USA) Inc.	Xchanging Solutions Singapore Pte Ltd.
1.	Date since when subsidiary was acquired	July 2, 2004	March 31, 2004
2.	Reporting period	April 1, 2021 - March 31, 2022	
3.	Reporting currency	1 USD = 75.51	1 SGD = 55.80
4.	Share Capital	7,498.63	1,283.36
5.	Reserves & Surplus	(19,708.63)	6,656.06
6.	Total Assets	17,863.81	8,754.09
7.	Total Current Liabilities	1,431.70	814.68
8.	Investments	20.67	0
9.	Turnover	10,658.20	4,767.71
10.	Profit (Loss) before Taxation	2,572.65	1,334.00
11.	Provision for taxation	517.12	262.66
12.	Profit after taxation	2,055.54	1,071.34
13.	Proposed dividend	-	-
14.	Extent of shareholding (in percentage)	100%	100%

Note:

- 1) Nexexplicit Infotech India Private Limited, step down subsidiary of the Company, is under liquidation
- 2) The Board of Directors of the Company approved liquidation of Xchanging Solutions (Europe) Limited (“XSEL”), wholly owned subsidiary on May 23, 2019. The Liquidation process of XSEL is complete and it’s status on the Companies House is updated as dissolved on August 13, 2021.

For and on behalf of the Board of Directors,

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer

Place: Mumbai
Date: May 23, 2022

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore
Date: May 23, 2022

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting (“**AGM**”) of the members of Xchanging Solutions Limited (“**the Company**”) will be held on Wednesday, August 3, 2022 at 11:00 A.M. IST through Video Conferencing / Other Audio Visual Means (“**VC**” / “**OAVM**”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.

and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolution(s)**:

- a. “**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”
 - b. “**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”
2. To appoint a Director in place of Mr. Shrenik Kumar Champalal (DIN 08099410), who retires by rotation and being eligible, offers himself for re-appointment as a Director and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Shrenik Kumar Champalal (DIN 08099410), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

SPECIAL BUSINESS

3. APPOINTMENT OF MR. PANKAJ VAISH AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

To appoint Mr. Pankaj Vaish (DIN: 00367424) as an Independent Director of the Company for a period of 5 (Five) years commencing from May 4, 2022 upto May 3, 2027, and to consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:-

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and such other Rules framed under the Act, as may be applicable [including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force] and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time)

(“the SEBI Listing Regulations”), Mr. Pankaj Vaish (DIN: 00367424), who was appointed by the Board of Directors as an Additional Director to hold office of Non-Executive, Independent Director of the Company with effect from May 4, 2022, in terms of Section 161(1) of the Act and who meets the criteria for Independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years commencing from May 4, 2022 upto May 3, 2027.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and is /are hereby authorized, singly and/or jointly to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution.”

By Order of the Board of Directors
For **Xchanging Solutions Limited**

Place: Delhi
Date: May 23, 2022

Mayank Jain
Company Secretary
Membership No: A26620

Registered office:

Kalyani Tech Park - Survey No 1, 6 & 24,
Kundanhalli Village, K R Puram Hobli,
Bangalore – 560 066

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and the Ministry of Corporate Affairs (“MCA”) has vide its General Circular nos. 14/2020 dated April 8, 2020; 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020; 02/2021 dated January 13, 2021; and 02/2022 dated May 5, 2022 issued by MCA (hereinafter referred as “MCA Circulars”) read with Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Companies Act, 2013 (“the Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the 21st Annual General Meeting (AGM) of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be Registered Office of the Company.
2. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Companies Act, 2013 (“**The Act**”) will not be available for the AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-

Notice of Annual General Meeting

- Voting, for participation in the AGM through VC/OAVM Facility and e-Voting during the AGM.
3. The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts concerning the business under Item No. 3 is annexed with this Notice. The Board of Directors of the Company at its meeting held on May 23, 2022 considered that the special business under Item No. 3, be transacted at the AGM of the Company.
 4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution / Authorisation etc., authorising its representative to attend the AGM through VC/OAVM Facility on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to cs.ankushagarwal@gmail.com with copies marked to the Company at compliance@xchanging.com and to its Registrars and Transfer Agents (“RTA”) at inward.ris@kfinetech.com.
 5. In terms of the applicable provisions of the Act, SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (“SEBI Listing Regulations”) read with the MCA Circulars and SEBI Circular, the Annual Report including Notice of the AGM of the Company will also be available on the website of the Company at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of e-voting agency M/s KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) (“KFin Technologies”) at <https://evoting.kfinetech.com/>
 6. Since the AGM will be held through VC/OAVM Facility, the Attendance Slip, Proxy Form and Route Map are not annexed to the Notice.
 7. Company has appointed KFin Technologies, RTA of the Company, to provide Video Conferencing Facility for the AGM and to act as the attendant enablers for conducting the AGM.
 8. Pursuant to the provisions of the MCA Circulars on convening AGM through VC / OVAM:
 - a. Members can attend the meeting through log in credentials provided to them to connect to Video Conference. Physical attendance of the Members at the Meeting venue is not required.
 - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.
 - c. Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
 9. The Members may join the AGM through VC/ OAVM Facility by following the procedure mentioned herein below in the Notice which shall be kept open for the Members from 10:30 A.M. (IST) i.e. 30 (Thirty) minutes before the time scheduled to start the AGM.
 10. Members may note that the VC/OAVM facility, provided by KFin Technologies, allows participation of at-least 1,000 Members on a first-come-first served basis (“FIFO”). The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of FIFO principle.
 11. The attendance of the Members (members logins) attending the AGM through VC/ OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 12. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of the SEBI Listing Regulations, as amended, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through e-Voting agency ‘KFin Technologies’.

The Remote e-voting period commences on July 31, 2022 (9:00 A.M. IST) and ends on August 2, 2022 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date of Wednesday, July 27, 2022, may cast their votes electronically.
 13. **Voting at the e-AGM:** Members who could not vote through remote e-voting may avail the e-voting system provided at the time of the meeting:
 - a. The e-Voting “Thumb sign” on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the “instapoll” page
 - b. Members to click on the “Instapoll” icon to reach the resolution page and follow the instructions to vote on the resolutions.
 - c. Only those shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.
 14. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
 15. Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owners (in case of electronic shareholding) as on the **Cut-off date i.e. Wednesday, July 27, 2022.**
 16. The SEBI has mandated the submission of Permanent Account Number (“PAN”) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository

Notice of Annual General Meeting

- Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent.
17. Securities of listed companies would be transferred in dematerialised form only w.e.f. April 1, 2019. In view of the same, Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company's RTA for assistance in this regard.
 18. In terms of provisions of Section 152 of the Act, Mr. Shrenik Kumar Champalal retires by rotation at the AGM. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.
 19. Relevant details in respect of the Director seeking re-appointment at the AGM, in terms of Regulations 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of SS – 2 issued by ICSI are also annexed to this notice.
 20. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 28, 2022 to Wednesday, August 3, 2022 (*both days inclusive*) for the purposes of the AGM.
 21. MAKS & Co., Company Secretaries (FRNP2018UP067700) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and casting of vote through the e-voting system during the AGM in a fair and transparent manner.
 22. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the AGM i.e. August 3, 2022.
 23. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations> and on the website of KFin Technologies at <https://evoting.kfintech.com>, immediately after the declaration of result by the Chairman or any person authorized by him in writing and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited.
 24. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.
 25. The Company has designated an exclusive Email ID compliance@xchanging.com for redressal of shareholders complaints/grievances and for any investor related queries, you are requested to please write to us at the above Email ID.
 26. KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), ("KFin Technologies"), the Company's Registrar and Transfer Agent will provide the facility for voting through remote e-voting; for participating at the AGM through VC / OAVM and for e-voting during the AGM.
 27. Generally, a Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since the AGM is being held through VC / OAVM, physical attendance of Members is dispensed with and consequently, the facility for appointment of proxies is not applicable. Hence proxy forms and attendance slips are not annexed to this Notice.
 28. Corporate Members intending to authorise their representatives to attend the meeting pursuant to Section 113 of the Act, are requested to email certified copy of the Board / governing body resolution / authorisation etc. authorising their representatives to attend and vote on their behalf. The documents should be emailed to compliance@xchanging.com and a copy marked to evoting@kfintech.com with the subject line **XCHANGING SOLUTIONS LIMITED**.
 29. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. **On or after 1st April 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s).** Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>
 30. As per the provisions of Section 72 of the Companies Act, 2013 and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to KFin Technologies in case the shares are held in physical form.
- DISPATCH OF ANNUAL REPORT, PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF NOTICE AND ANNUAL REPORT:**
1. In accordance with the provisions of the MCA and SEBI circulars, the AGM Notice along with the Annual Report are being sent through email only to Members whose email IDs are registered with KFin Technologies; National Securities

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Depository Limited (“NSDL”) and / or Central Depository Services (India) Limited (“CDSL”) (collectively referred to as Depositories or NSDL / CDSL). In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2021-22 and Notice of the 21st AGM of the Company, may send request to the Company’s email address at compliance@xchanging.com mentioning Foilo No./ DP ID and Client ID

2. The AGM Notice and the Annual Report are available on the Company’s website <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>, the website of KFin Technologies <https://evoting.kfintech.com> and also on those of the BSE Limited www.bseindia.com and the National Stock Exchange of India Limited www.nseindia.com.
3. Members who have still not registered their email IDs are requested to do so at the earliest.
 - Members holding shares in electronic mode can get their email ID registered by contacting their respective Depository Participant.
 - Members holding shares in physical mode are requested to register their email ID with the Company or KFin Technologies, for receiving the AGM Notice and Annual Report. Requests can be through email or by logging into <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>.

We urge Members to support this Green Initiative effort of the Company and get their email ID registered.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

4. Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM at <https://emeetings.kfintech.com/> by using their remote e-voting login credentials and selecting the ‘Event’ for Company’s AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the AGM Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
5. Members may join the AGM through laptops, smartphones, tablets or ipads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.

Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

Members will be required to grant access to the web-cam to enable two-way video conferencing.

6. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and shall be kept open throughout the AGM. Members will be able to participate in the AGM through VC / OAVM on a first-come-first-serve basis.

Large Members (i.e. Members holding 2% or more

shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. will not be subject to the aforesaid restriction of first-come first-serve basis.

7. Institutional Members are encouraged to participate at the AGM through VC / OAVM and vote thereat.
8. Members, holding shares as on the cut-off date i.e. July 27, 2022 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers at <https://emeetings.kfintech.com> and clicking on “Speaker Registration” during the period from Sunday, July 31, 2022 (9:00 AM IST) to Monday, August 1, 2022 (5:00 PM IST). Those Members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM. Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab ‘Post Your Queries’ and post their queries / views / questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window will close at 5.00 p.m. (IST) on Monday, August 01, 2022.
9. Members who need assistance before or during the AGM, relating to use of technology, can contact KFin technologies at 1800 309 4001 or write to them at evoting@kfintech.com.

PROCEDURE FOR REMOTE E-VOTING AND VOTING DURING THE AGM:

10. Members are requested to attend and participate at the ensuing AGM through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during AGM.
11. The facility of e-voting during the AGM will be available to those Members who have not cast their vote by remote e-voting. Members, who cast their vote by remote e-voting, may attend the AGM through VC / OAVM, but will not be entitled to cast their vote once again on the resolutions. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
12. In case of any query and / or assistance required, relating to attending the AGM through VC / OAVM mode, Members may refer to the Help & Frequently Asked Questions (FAQs) and ‘AGM VC / OAVM’ user manual available at the download Section of <https://evoting.kfintech.com> or contact Mr. Anandan K, KFin Technologies at the email ID evoting@kfintech.com or call KFin Technologies’s toll free No.: 1800 309 4001 for any further clarifications / technical assistance that may be required.
13. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations read with SEBI circular no. SEBI/

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HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 relating to 'e-voting Facility Provided by Listed Entities' ("SEBI e-voting Circular"), the Company is pleased to provide to Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means through e-voting services arranged by KFin. Members may cast their votes using an electronic voting system from a place other than the venue of the AGM ("remote e-voting").

14. The remote e-voting period commences on Sunday, July 31, 2022 (9:00 a.m. IST) and ends on Tuesday, August 2, 2022 (5:00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in demat form, as on the cut-off date i.e. Wednesday, July 27, 2022 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFin Technologies for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
15. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
16. Any person holding shares in physical form and non-individual shareholders holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. In case they are already registered

with KFin Technologies for remote e-voting, they can use their existing User ID and password for voting.

17. In terms of SEBI e-voting Circular, e-voting process has been enabled for all 'individual demat account holders', by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participant(s) ("DP").
18. Individual Members having demat account(s) would be able to cast their vote without having to register again with the e-voting service provider ("ESP") i.e. KFin Technologies, thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access the e-voting facility.
19. The process and manner for remote e-voting and joining and voting at the AGM are explained below:

Step 1 : Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

Step 2 : Access to KFin Technologies e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.





Step 3 : Access to join the AGM on KFin Technologies system and to participate and vote thereat.

Details on Step 1 are mentioned below:

I) Login for remote e-voting for Individual Members holding equity shares in demat mode.

Type of Member	Login Method
Individual Members holding securities in demat mode with NSDL	<p>Existing Internet-based Demat Account Statement ("IDeAS") facility Users:</p> <ol style="list-style-type: none"> 1. Visit the e-services website of NSDL https://eservices.nsd.com either on a personal computer or on a mobile. 2. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. 3. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. 4. Click on company name i.e. 'Xchanging Solutions Limited' or e-voting service provider i.e. KFin Technologies. 5. Members will be re-directed to KFin Technologies website for casting their vote during the remote e-voting period and voting during the AGM. <p>Those not registered under IDeAS:</p> <ol style="list-style-type: none"> 1. Visit https://eservices.nsd.com for registering. 2. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-voting website of NSDL https://www.evoting.nsd.com/. 4. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. 5. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen. 6. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. 7. Click on company name i.e Xchanging Solutions Limited or e-voting service provider name i.e KFin Technologies after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the AGM.

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Type of Member	Login Method
	<p>8. Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <p> </p>
Individual Members holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Electronic Access To Securities Information (“Easi / Easiest”) facility:</p> <ol style="list-style-type: none"> Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com Click on New System Myeasi. Login to MyEasi option under quick login. Login with the registered user ID and password. Members will be able to view the e-voting Menu. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication. <p>2. User not registered for Easi / Easiest</p> <ol style="list-style-type: none"> Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. After successful registration, please follow the steps given in point no. 1 above to cast your vote. <p>3. Alternatively, by directly accessing the e-voting website of CDSL</p> <ol style="list-style-type: none"> Visit www.cdslindia.com Provide Demat Account Number and PAN System will authenticate user by sending OTP on registered mobile and email as recorded in the Demat Account. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. 'Xchanging Solutions Limited' or select KFin Technologies. Members will be re-directed to the e-voting page of KFin Technologies to cast their vote without any further authentication.
Individual Members login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. Once logged-in, Members will be able to view e-voting option. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. Click on options available against Xchanging Solutions Limited or KFin Technologies. Members will be redirected to e-voting website of KFin Technologies for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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Details on Step 2 are mentioned below:

II) Login method for e-voting for Members other than Individual Members holding shares in demat mode and Members holding securities in physical mode.

(A) Members whose email IDs are registered with the Company / Depository Participants(s), will receive an email from KFin Technologies which will include details of e-voting Event Number (EVEN), USER ID and password.

They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a Member is registered with KFin Technologies for e-voting, they can use their existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt the Member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.
- v. Members would need to login again with the new credentials.
- vi. On successful login, the system will prompt the Member to select the "EVEN" i.e., 'Xchanging Solutions Limited - AGM' and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, a Member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding as mentioned herein above. A Member may also choose the option ABSTAIN. If a Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat

accounts shall choose the voting process separately for each folio / demat account.

- ix. Voting has to be done for each item of the notice separately. In case a Member does not desire to cast their vote on any specific item, it will be treated as abstained.
 - x. A Member may then cast their vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a Member has voted on the resolution(s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address, thereby not being in receipt of the Annual Report, Notice of AGM and e-voting instructions, may temporarily get their email address and mobile number submitted with KFin Technologies, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>.
 - ii. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to einward.ris@kfintech.com.
 - iii. Alternatively, Members may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
 - iv. After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-voting during the meeting.

- i. Members will be able to attend the AGM through VC / OAVM platform provided by KFin Technologies. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login

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credentials provided in the email received from the Company / KFin Technologies.

- ii. After logging in, click on the Video Conference tab and select the EVEN of the Company.
- iii. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.

Other Instructions:

- I. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- II. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, July 27, 2022.
- III. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. Wednesday, July 27, 2022 may obtain the User ID and Password in the manner as mentioned below:
 - a. If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD<space>E-voting Event Number + Folio No. or DP ID Client ID to +91 9212993399
Example for NSDL: MYEPWD<SPACE>IN12345612345678
Example for CDSL: MYEPWD<SPACE>1402345612345678
Example for Physical: MYEPWD<SPACE>XXX1234567890
 - b. If email ID of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click 'Forgot password' and enter

Folio No. or DP ID Client ID and PAN to generate a password.

- c. Members may call KFin Technologies toll free number 1800 309 4001.
 - d. Members may send an email request to: evoting@kfintech.com. If the Member is already registered with the KFin Technologies e-voting platform then such Member can use his / her existing User ID and password for casting the vote through remote e-voting.
- IV. The Board of Directors has appointed M/s. MAKS & CO., Company Secretaries (FRN : P2018UP067700), as a Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
 - V. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the AGM is being held through VC / OAVM. The e-voting window shall be activated upon instructions of the Chairman of the AGM during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform and no separate login is required for the same.
 - VI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations> and on the website of KFin Technologies at <https://evoting.kfintech.com>, immediately after the declaration of result by the Chairman or any person authorized by him in writing and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited.

By Order of the Board of Directors
For **Xchanging Solutions Limited**

Place: Delhi
Date: May 23, 2022

Mayank Jain
Company Secretary
Membership No: A26620

Registered office:
Kalyani Tech Park - Survey No 1, 6 & 24,
Kundanhalli Village, K R Puram Hobli,
Bangalore – 560 066

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EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3:

On May 4, 2022, the Board of Directors appointed Mr. Pankaj Vaish as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years with effect from May 4, 2022 to May 3, 2027, subject to approval of the Members of the Company.

In terms of section 160 of the Companies Act, 2013, Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Pankaj Vaish as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013. The Company has also received a notice in writing from a Member proposing the candidature of Mr. Pankaj Vaish to be appointed as Director of the Company.

The Company has received a declaration from Mr. Pankaj Vaish confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr. Pankaj Vaish's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Pankaj Vaish fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management.

In line with the Company's remuneration policy for Independent Directors, Mr. Pankaj Vaish will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors, reimbursement of expenses for participation in the Board meetings as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee as per Companies Act, 2013. Details of remuneration paid to

Independent Directors shall be disclosed as part of the Annual Report.

Mr. Pankaj Vaish has 36+ years of experience including 28+ years spent with Accenture, where he built businesses from scratch and scaled them to global proportions, having held several regional and global roles. He has wide ranging experience in Technology Led Transformation, Consulting, BPO, Offshoring and Outsourcing and he is actively engaged in the financial services and technology industries and is associated with companies across segments of these industries. He is a Director, a consultant and an advisor. In addition, as part of his participation in India's startup ecosystem, he is supporting various technology product companies in sharpening their market focus and scaling their businesses. He has core skills/expertise/ competencies like Strategy and planning; Governance (including policy); Finance; Commercial/ Business Development; and Information Technology which are identified by the Board of Directors while nominating candidates to serve as the Independent Director of the Company and the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of five years with effect from May 4, 2022 to May 3, 2027.

Draft letter of appointment of Mr. Pankaj Vaish setting out the terms and conditions of appointment is being made available for inspection by the Members through electronic mode.

Additional information in respect of Mr. Pankaj Vaish, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure A to this Notice.

Except Mr. Pankaj Vaish and/or his relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

The Board of Directors recommends the resolution proposing the appointment of Mr. Pankaj Vaish as an Independent Director of the Company, as set out in Item No. 3 for approval of the Members by way of a Special Resolution.

In item no. 2 and 3, Additional Information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings: -

Name of the Director	Mr. Shrenik Kumar Champalal		Mr. Pankaj Vaish	
DIN	08099410		00367424	
Date of Birth	February 1, 1976		February 9, 1962	
Age	45 years		60 Years	
Date of first appointment on the Board	March 31, 2021		May 4, 2022	
Qualification	Mr. Shrenik Kumar Champalal is a Chartered Accountant		Mr. Pankaj Vaish has a MBA from Carlson School of Management, University of Minnesota, Minneapolis, USA and a B. Tech. in Mechanical Engineering from IIT-BHU, Varanasi(Indian Institute of Technology, Banaras Hindu University).	
Relation with Promoters/ Directors	He is an Associate Vice President - Finance of the Company. He has no relationship with Promoters/Directors		He has no relationship with Promoters/Directors	
Remuneration last drawn	Rs. 51.27 lakhs		Nil	
Expertise in Functional area/Brief Resume	<p>Mr. Shrenik Kumar Champalal is a Chartered Accountant with 20 years of progressive and successful experience in Controllershship, Reporting & technical accounting advisory role in various countries.</p> <p>He has a strong background in corporate finance, financial and statutory reporting, auditing, controllership along with expertise in International and Indian accounting standards.</p> <p>He has acquired valuable international experience working with management and business cultures in Canada, UAE and UK. He is an exceptional leader, motivator, and team builder who is goal-oriented and excels in a fast-paced, high pressure environment.</p> <p>He has actively participated in the development of the various corporate strategic plans. He has contributed significantly in the development and management of the various financial controls. He has led financial reporting integration and automation projects in various countries.</p> <p>He worked with companies like Lovelock & Lewes (PwC) and Dubai International Capital LLC prior to joining Xchanging.</p>		<p>Mr. Pankaj Vaish has 36+ years of experience including 28+ years spent with Accenture, where he built businesses from scratch and scaled them to global proportions, having held several regional and global roles. He has wide ranging experience in Technology Led Transformation, Consulting, BPO, Offshoring and Outsourcing.</p> <p>Mr. Pankaj Vaish is actively engaged in the financial services and technology industries and is associated with companies across segments of these industries. He is a Director, a consultant and an advisor. In addition, as part of his participation in India's startup ecosystem, he is supporting various technology product companies in sharpening their market focus and scaling their businesses.</p> <p>Mr. Pankaj Vaish has a MBA from Carlson School of Management, University of Minnesota, Minneapolis, USA and a B.Tech. in Mechanical Engineering from IIT-BHU (Indian Institute of Technology, Banaras Hindu University), Varanasi. He is a Gold Medalist from IIT-BHU and has been awarded the Distinguished Alumni award by IIT-BHU Alumni Association.</p>	
Directorships in other Public Companies (other than Xchanging Solutions Ltd.)	Nil		<ul style="list-style-type: none"> • IIFL Wealth Management Limited (Listed Company) • Krishna Institute of Medical Sciences Limited (Listed Company) • Fusion Micro Finance Limited 	
Chairman/Member (Other than Xchanging Solutions Ltd.) of:	Chairman	Member	Chairman	Member
	Nil	Nil	Nil	<p>Stakeholders' Relationship Committee</p> <ul style="list-style-type: none"> • IIFL Wealth Management Limited <p>Audit Committee</p> <ul style="list-style-type: none"> • Krishna Institute of Medical Sciences Limited • Fusion Micro Finance Limited • IIFL Wealth Management Limited

Notice of Annual General Meeting

Name of the Director	Mr. Shrenik Kumar Champalal	Mr. Pankaj Vaish
Membership/Chairmanship in Committees of Xchanging Solutions Limited	<ol style="list-style-type: none"> 1. Stakeholders Relationship Committee-Member 2. Corporate Social Responsibility Committee-Member 3. Audit Committee- Member 4. Risk Management Committee - Chairman 	<ol style="list-style-type: none"> 1. Nomination & Remuneration Committee - Chairman 2. Stakeholders Relationship Committee- Member 3. Corporate Social Responsibility Committee-Member 4. Audit Committee - Member 5. Committee of Independent Directors - Member
Name of listed entities from which he has resigned in the past three years	Nil	Aptus Value Housing Finance India Limited-Resigned on October 31, 2019
Number of shares held in Xchanging Solutions Limited including shareholding as a beneficial owner	1	Nil
Percentage of shareholding	Nil	Nil
Number of meetings of the Board attended during the year	4	NA

By Order of the Board of Directors
For **Xchanging Solutions Limited**

Place: Delhi
Date: May 23, 2022

Registered office:
Kalyani Tech Park - Survey No 1, 6 & 24,
Kundanhalli Village, K R Puram Hobli,
Bangalore – 560 066

Mayank Jain
Company Secretary
Membership No: A26620

Shareholder Information

XCHANGING SOLUTIONS LIMITED

Registered office: Kalyani Tech Park - Survey No 1,
6 & 24, Kundanhalli Village, K R Puram Hobli,
Bengaluru – 560066
Tel : +91 80 43640000

For Corporate reports and Company News, visit our website at:

<https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>

STOCK EXCHANGES

Company is Listed on the following stock exchanges (Ticker Symbol: XCHANGING)

BSE (BSE Limited)

NSE (National Stock Exchange of India Limited)

Safe Harbor Statement

Certain statements in this document are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services, including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns in fixed price, fixed time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, etc. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

If undelivered please return to:

XCHANGING SOLUTIONS LIMITED

CIN: L72200KA2002PLC030072

Kalyani Tech Park - Survey No 1, 6 & 24,

Kundanhalli Village, K R Puram Hobli,

Bengaluru – 560066